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D 8523A

WORLD NEWS

Israel starts airlift from Ethiopia

Israel launched an emergency operation yesterday to airlift thousands of Ethiopian Jews trapped in the Ethiopian capital as fighting continued between rebels and government troops.

A US official said the Israelis were rushing to complete the airlift before rebel groups marched on Addis Ababa. Britons living in Addis Ababa were advised by the Foreign Office to leave.

As the airlift began, it emerged that local army units defending the government-held Eritrean capital, Asmara, had surrendered to Eritrean rebels. Page 22; Eritrea a thorny issue, Page 3

Democrats urge inquiry

Senior Democrats in the US Senate and House of Representatives want a Congressional investigation into illegal exports of US missile technology to South Africa with the knowledge of the CIA. Page 3

Relief aircraft crashes

Four Soviet crewmen died when their transport plane crashed in western Iran after running out of fuel. It was carrying international relief aid for Iraqi refugees.

Bodies found

Two bodies have been found in northern Iraq by Royal Marines searching for a missing BBC news crew.

Georgians set for polls

Soviet Georgians vote in their first presidential elections tomorrow. Present leader Zviad Gamsakhurdia is expected to win, despite accusations that he is dictatorial and has mishandled the republic's independence campaign. Page 2

Ex-soldier cleared

Former soldier Clive Shorters, 29, was cleared at the Old Bailey in London of starting a fire at a Falkland Islands hospital in which eight people died seven years ago.

Argentine rail row

Argentina's state-owned railway said it would shed 12,500 jobs to streamline its operations. Rail unions, which staged 44 days of strikes earlier this year, immediately threatened protest action.

No confidence motion

Poland's Solidarity government faces its first parliamentary no confidence challenge today. The motion, criticising the handling of the economy, was tabled by the PSL peasants' party but looks unlikely to succeed.

Editor quits

Stephen Glover, editor of the loss-making Independent on Sunday, is resigning as the paper prepares to merge with its daily sister title, The Independent. The company plans 65 job cuts. Page 4

Altarpiece fetches £2m

A 14th-century altarpiece by Taddeo Gaddi fetched £1.98m at a Christie's auction in London – almost double the estimate. The privately-owned Bromley Davenport altarpiece was bought by an anonymous telephone bidder. Page 4

England win

England beat the West Indies by one wicket in the first Texaco Trophy one-day match at Edgbaston.

Notice to readers

The Financial Times will not be published on Monday May 27. It will be published again on Tuesday May 28.

BUSINESS SUMMARY

Dresdner reveals stake in Allianz

Dresdner Bank revealed that it had a 10 per cent stake in Allianz, Germany's and Europe's largest insurance concern. Allianz is believed to have a similar, or even slightly larger, holding in Dresdner.

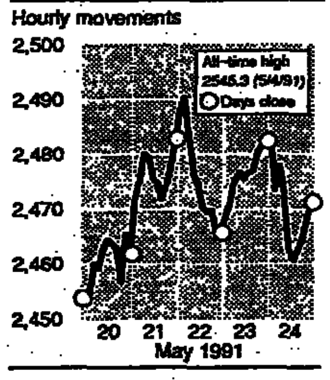
The statement was the first confirmation by Dresdner that it was a shareholder in Allianz, although there has been previous speculation. Page 10

SD-SCICON, UK computing services company in which British Aerospace holds a 25 per cent stake, became the subject of a takeover bid valuing it at £111m. The bidder is Cray Electronics, high technology company. Page 8; Lex, Page 22

London shares: The FT-SE Index gained 17.1 on the week as the market sensed that a cut in base rates was imminent. Equity strategists believe base rates will hold at 11½ per cent for some time and the government's poor showing in public opinion polls implies that political factors may hang over an unsettled equity market for the summer. London stocks, 13; Lex, Page 22

FT-SE 100

Hourly movements



TRADE: French minister for European affairs criticised the US for protectionism in its telecoms market. Elisabeth Guigou focused on AT&T, US telecoms group and the local Bell telephone networks, for excluding foreign suppliers from equipment procurement. Page 22

INDUSTRY: Manufacturing orders and output are still falling, according to the latest industrial trends survey from the Confederation of British Industry. Page 5

NISSAN UK, private UK distributor of Nissan vehicles, was refused an injunction against Nissan Motor, opening the way for the Japanese car group to establish its own UK dealer network. Page 22

GUARDIAN Royal Exchange, UK insurance company, hopes to raise a record sum of £38m for agricultural farmland with the sale of 22,500 acres in East Anglian. City institutions have shed farmland investments totalling 250,000 acres over the past five years. Page 4

WOLVERHAMPTON & Dudley Breweries, UK Midlands brewer, saw interim pre-tax profits rise by 14 per cent to £15.76m in spite of lower beer volumes. Page 8

CENTRAL Independent Television, the only big ITV network contractor without a rival for its franchise in the current competition, reported a 29 per cent drop in annual pre-tax profit. Page 8

NEC, Japanese electronics company, reported a 22.8 per cent drop in consolidated pre-tax profits to Y134.19bn (£565.8m) due to significant losses when it withdrew from the US audio-visual equipment market and a weaker performance by semiconductor subsidiaries. Page 10

Hanson rules out hostile bid for ICI

By Roland Rudd and Charles Leadbeater

HANSON, the UK-based conglomerate, proposed a full-scale merger with Britain's Imperial Chemical Industries to create one of the largest industrial combines in the world, during talks between the two groups earlier this week.

For Hanson, the aim of such a merger would be to give it an international reach, extending far beyond its current operations, which are almost exclusively in the UK and US.

A merger is just one proposal being considered by Hanson and its advisers in the wake of its move last week to buy a 2.8 per cent shareholding in ICI.

However, Lord Hanson, chairman, in his first interview since buying the ICI stake, said yesterday: "We do not want to do a big hostile takeover at all whether in the US or the UK."

An alliance with ICI would give Hanson greater access to markets in Europe and the Pacific Rim which it needs to penetrate to maintain the growth it achieved in the 1980s. The merged group would continue to run many of the businesses in which ICI currently has a strong international position.

Hanson, which has become ICI's second largest shareholder, wants the chemicals group to spin off its pharmaceuticals division into a joint-venture or alliance with another drugs group to give it the scale to compete in world markets.

Its advisers believe ICI's pharmaceuticals division, which last year contributed 47 per cent of pre-tax profits on 11 per cent of its turnover, is too big to be merely a division of the group but not big enough the compete with the likes of Glaxo or SmithKline Beecham.

Lords Hanson and White: Corporate crusaders ....Page 6

A merger with ICI to create a group with a combined turnover of about £20bn a year would mark a sharp change of direction for Hanson. In the past, it has subsequently sold off more than half of the assets in companies it acquired.

Lord Hanson said: "We have become so successful financially that we are now able to look at other ways and means of making money for our shareholders by going into other parts of the world."

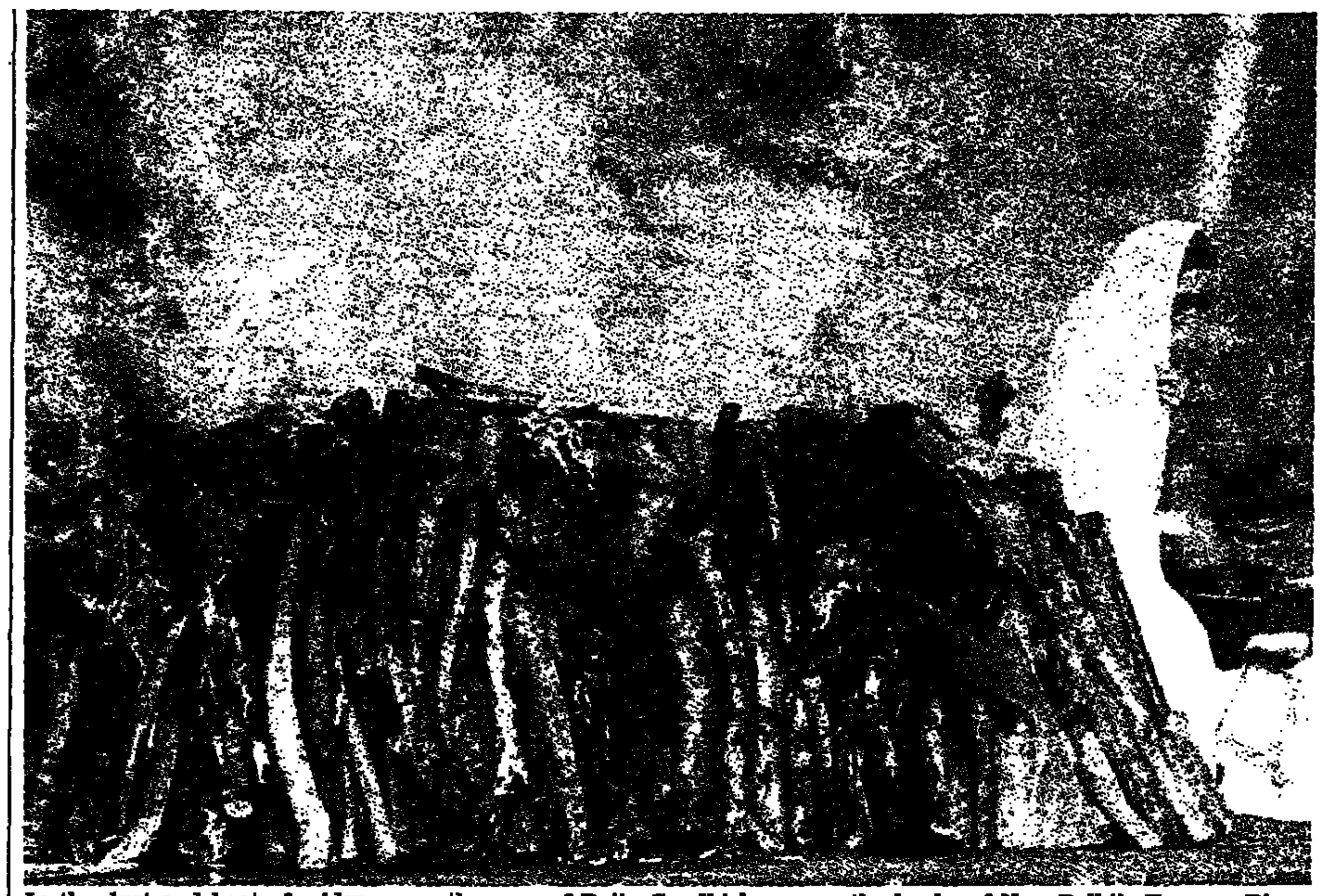
Lord White, chairman of Hanson Industries, the group's US arm, said yesterday: "It may be that we have to move in a slightly different way to continue our growth."

Hanson executives believe that the recession, political changes in the UK after Mrs Margaret Thatcher's resignation and the poorer health of the financial system may combine to limit the scope for hostile takeovers.

The company is engaged in a delicate manoeuvre to test City and political reaction to the prospect of it taking a significant role in ICI's development without triggering a bid. In the next few weeks, Hanson's advisers will spread the word that it does not want to make a hostile bid and has no plans to move in the near future.

However, Hanson executives believe ICI has lost its way and needs new impetus to knock it into shape.

It is thought that Hanson may wait for a year before deciding Continued on Page 22



In the dust and heat of midsummer, the pyre of Rajiv Gandhi burns on the banks of New Delhi's Yamuna River. *Wearing a white funeral sari, the former Indian prime minister's widow Sonia walks around the pyre, set alight by* Gandhi's son Rahul after a four-hour state funeral procession through the streets of the capital ....Page 22

Base rates cut by half a point

By Rachel Johnson, Peter Norman and John Authers

THE UK government cut bank base rates by half a percentage point yesterday for the fifth time since mid-February in an attempt to stimulate the economy from its deep recession.

Within minutes of a widely expected half-point cut in the Bank of England's dealing rate, UK clearing banks cut their base rates to 11.5 per cent from 12 per cent and building societies announced lower mortgage rates.

Britain's biggest mortgage lender, Halifax building society, said it would cut its rate by half a point to 12.45 per cent immediately for new borrowers and from July 1 for existing borrowers. This is its lowest rate for 2½ years.

Abbey National, the second biggest lender, followed with an immediate 0.5 point cut to 12.35 per cent for new borrowers and said this rate would apply to existing borrowers from June 26. It said this was its lowest rate for three years.

Abbey also altered discounts so that first-time buyers, crucial for a revival of the housing market, could borrow £100,000 or more at 9.95 per cent.

The moves followed mounting calls for an easing of borrowing costs during a week packed with recessionary data and poor results and profit warnings from several large UK companies.

First-quarter national output figures and retail sales and trade data for April had shown no upturn in the economy even though the government started cutting interest rates from 15 per cent in October.

Last night, the Confederation of British Industry warned in its monthly trends survey that there was no sign yet of a recovery in manufacturing industry.

Rate cut leaves finance markets unmoved..........Page 5
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Spain takes firm stand on rate cuts....................Page 2
Mortgage maze .....Wkd II and III

An opinion poll showed that Labour's lead over the Conservatives was at its greatest since Mr John Major became prime minister six months ago. The monetary authorities insisted that the cut had been taken for economic and not political motives. The Bank of England said: "The move is entirely appropriate given clear improvements in underlying inflation and developments in the real economy."

The Treasury said the cut was "prudent and right." Rates were appropriate to keep sterling within its bands in the European exchange rate mechanism and to bear down on inflation.

Initially, the cut appeared to have been discounted in the value of the pound and equities. However, sterling fell against the D-Mark on the foreign exchanges as New York investors started to take a bearish view of the pound.

The news provoked a muted reaction elsewhere. Prices of long gilts fell half a point on technical factors and anxieties about rising inflation and stock supply ahead of an afternoon announcement by the Bank of a June auction of £1bn-£2bn of medium-dated gilts.

Polly Peck transferred £300m to subsidiaries

By David Barchard

MORE THAN £300m was transferred from the London headquarters of Polly Peck International, the collapsed fruit trading and electronics group, to subsidiaries in Turkey and Cyprus between September 1987 and last autumn.

Mr Christopher Morris of Touche Ross, one of the three administrators now handling the group's affairs, told more than 1,000 creditors and shareholders at an administrators' meeting at Alexandra Palace in London that he was still trying to discover why the transfers had been made.

"We have identified many transfers of funds being booked to the Near East operations of Meyna (the Turkish fruit subsidiary) and Uni-Pac (the packaging operation in northern Cyprus). These businesses were reportedly very profitable and therefore might be expected to be significant cash generators," Mr Morris said.

He said there were significant differences between local management accounts and the consolidated group figures for some Polly Peck companies in Turkey and Cyprus.

Polly Peck creditors support administrators' plans......Page 8

Polly Peck headquarters' group accounts showed, for example, that Meyna had made £38m in pre-tax profits in 1989, but local management accounts in Turkey suggested that it had made only £1m.

"Differing explanations have been offered, none of which we have yet been able to confirm," Mr Morris said.

The good news for the rows of dark-suited creditors sitting impassively in the vast auditorium, was that the administrators believe that Polly Peck's three largest subsidiaries, PPI Del Monte, Sansui, the Japanese audio group, and Vestel, the Turkish consumer electronics group, are relatively strong and can survive.

The meeting approved by an overwhelming majority plans to restructure them while selling off problematic investments in Cyprus and Turkey and non-core businesses elsewhere. The administrators said this would give creditors a relatively bright prospect of eventually getting back at least half of the £1.1bn they are owed.

Nonetheless, Mr Morris's words shattered any remaining illusions about Polly Peck, the London stock market's star performer of the 1980s.

"The manner in which the group was run and the level of control exercised by the main board was less than might have been expected of a major public company," he said.

Mr Morris said he had asked Mr Asil Nadir, chairman and chief executive, to comment on newspaper reports which indicated that Gunaydin, a Turkish newspaper, and Impexbank in Istanbul were purchased with Polly Peck funds.

Mr Nadir had replied through lawyers, asserting he was the owner of the bank and Continued on Page 22

MARKETS

STERLING
New York lunchtime:
$1.731
London:
$1.7305 (1.735)
DM2.9575 (2.975)
FFr10.045 (10.1025)
SFr2.5175 (2.525)
Y239.5 (239.0)
£ index 91.8 (92)

GOLD
New York: Comex Jun
$356.8 (355.5)
London:
$356.05 (355.55)

N SEA OIL (Argus)
Brent Jul
$19.325 (+0.075)

Chief price changes yesterday *Page 22*

DOLLAR
New York lunchtime:
DM1.708
FFr5.797
SFr1.4535
Y138.295
London:
DM1.7085 (1.714)
FFr5.805 (5.8225)
SFr1.455 (1.456)
Y138.4 (137.7)
$ index 65.9 (66.0)
Tokyo close:Y137.95

US LUNCHTIME RATES
Fed Funds 5⅝%
3-mo Treasury Bills:
yield: 5.53%
Long Bond:
98$\frac{1}{16}$
yield: 8.3%

STOCK INDICES
FT-SE 100:
2,484.6 (+16.9)
FT Ordinary:
1,945.4 (+12.0)
FT-A All-Share:
1192.72 (−0.5%)
New York lunchtime:
DJ Ind. Av.
2,915.03 (14.99)
S&P Comp
377.56 (+2.58)
Tokyo: Nikkei
25,529.14 (−114.51)

LONDON MONEY
3-month interbank:
closing 11$\frac{13}{16}$% (11⅞)
Liffe long gilt future:
Jun 90$\frac{13}{32}$ (91)

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US missile shipments to S Africa bring inquiry call

By Alan Friedman and Lionel Barber in Washington

SENIOR Democratic members of the US Senate and House of Representatives yesterday called for Congressional investigations of the illegal export of US ballistic missile technology to South Africa which occurred between 1984 and 1988 with the full knowledge of the Central Intelligence Agency.

The discovery that the CIA had full knowledge of these shipments, which were made by International Signal and Control (ISC), the Pennsylvania company bought by Ferranti of the UK in 1987, was reported yesterday as part of a joint investigation by the Financial Times and ABC News/Nightline.

Mr Howard Berman, chairman of the international operations subcommittee of the House Foreign Affairs Committee and the author of a 1989 law on missile proliferation, said: "This sounds like a renegade operation and it is essential that the Congressional oversight mechanism now come into play."

The FT/ABC investigation found that members of the relevant Congressional intelligence committees were not informed by the CIA of any official sanction for such shipments to South Africa in the 1984-88 period.

Mr Berman said he had contacted the chairman and several members of the House Intelligence Committee to demand a full inquiry, adding: "I would be astonished if we didn't look into this in the most serious way."

Senator Jeff Bingaman, Democratic chairman of the Defence Technology subcommittee of the Senate Armed Services Committee, said: "We in the Congress clearly need to look into this matter further and try to get to the bottom of the many questions raised by the investigation."

Like his House counterpart, Senator Bingaman said he was discussing the matter with Senate intelligence committee members, including Senator David Boren, the chairman of the committee.

"At a time when the US was trying to slow the spread of missile technology around the world, it appears that the CIA was sanctioning such exports through its silence if not through active involvement."

US officials told the FT/ABC investigation that the CIA did nothing to halt the ISC missile technology shipments.

The CIA declined to comment on the ISC report, but issued a statement in which it said that its policy is "to co-operate fully" with the Department of Justice on matters relating to possible violations of US laws.

Russian Federation President Boris Yeltsin waves a proposal during yesterday's Russian Congress which adopted a new constitution

Decision soon on Soviet G7 role

By Peter Riddell, US Editor, in Washington

THE Group of Seven industrial countries aims to decide by the middle of next month on its general approach to the Soviet request for economic aid and President Mikhail Gorbachev's desire for an invitation to the G7 summit in London in mid-July.

A meeting of the sherpas, or personal representatives of heads of government who prepare the summit agenda, will be held in Britain on June 7-9 under chairmanship of Mr Nigel Wicks from the UK Treasury. Until then the leaders - from the US, Japan, Germany, Britain, France, Italy and Canada - want to play for time on Soviet aid.

US and British officials have been dubious about the advantages of inviting Mr Gorbachev unless there is a firm Soviet commitment to specific and credible reforms. But the very prominence which the possible invitation has assumed makes it more difficult for G7 leaders to turn him down without appearing to snub or undermine him.

Mr John Major, Britain's prime minister and this year's summit host, and US President George Bush have deliberately not ruled out an invitation.

One option being discussed is that Mr Gorbachev might attend a special session apart from the main summit. There is strong opposition to his attending the main meetings as a full participant both because of fears he would dominate proceedings and push out other urgent items like the Uruguay round trade talks and global recession and because of worries about creating a precedent for future years.

● Mr Gorbachev yesterday met leaders of nine Soviet republics to discuss a final draft of a new union treaty, while the Russian parliament cleared final legislative obstacles to next month's presidential elections in the Soviet Union's largest republic.

CoCom eases curb on high-tech sales

By William Dawkins in Paris

LEADING western countries have settled a complex debate over the value of industrial technology to the Soviet Union and former East bloc, permitting a drastic cut in controls on strategic exports to those countries.

The 17 member nations of CoCom, the Co-ordinating Committee for Multilateral Export Controls, have agreed to scrap their existing complex directory of restricted goods in favour of a simplified list of product categories for which CoCom licences will be required.

This will give Moscow access to much more advanced industrial technology than now allowed by CoCom, which groups all of Nato, minus Iceland but plus Japan and Australia, and exists to stop Moscow and its allies buying militarily useful technology.

But fibre optic cables and night vision equipment proved so useful to Iraq in the Gulf war that CoCom members have agreed to hold technology curbs on those those products to at least the same level. Moscow will only be allowed to buy fibre optic cables with a speed of 45 megabits per second or less, equivalent to the best available in the US 10 years ago and below the level sought by some European countries.

The new core list of controlled products includes nine headings, one less than originally planned and around a third the size of the old curbs. Fast reforming east Europeans like Poland, Hungary and Czechoslovakia, will be allowed to buy goods from the core list as long as CoCom considers they are for civil use.

The accord aims to erect "higher fences round fewer products," said Mr Allan Wendt, the US state department official responsible for strategic technology policy.

The most important products freed for export include most 32-bit microprocessors, most personal computers, work stations and minicomputers, all but the strongest carbon and polymer fibres, modern machine tools, high power telecommunications switches and low power optical cable, most optical sensors, most modern airliners, and a wider range of jet and rocket engines than before.

The new technology export curbs are to come into effect on September 1.

Spain takes firm stand against rate cuts

By Peter Bruce in Madrid

THE SPANISH government, setting an agressive new tone to relations with its partners in the European Monetary System, has said it will refuse to make any further cuts in interest rates, probably for the rest of the year.

The peseta remains the strongest currency in the system in spite of a Spanish rate cut last week.

"We will not cut rates again until we have cut inflation to the average in the EMS or at least until there are unmistakeable signs that we are in reach of it," Mr Pedro Perez, deputy finance minister, told the Financial Times yesterday.

Last week's 75 basis point cut in the Bank of Spain's official intervention rate to 12.75 per cent was made to ease tensions with in the exchange rate mechanism of the European Monetary System, he said. France, in particular, had been pressing Spain to weaken the peseta, which is trading at the top of its ERM fluctuation band against the franc.

"That cut was made exclusively to contribute to the smooth functioning of the system," Mr Perez said. "We would never have done it for domestic reasons. Now it is up to the others to do their part."

Mr Perez said Spain wanted its EMS partners to state clearly they would not cut interest rates merely to reactivate sluggish national economies. "They need to dispel any doubts about the future trend of interest rates," he said. Yesterday's half point cut in UK rates would not disturb the ERM, he said.

Inflation is averaging about 4.5 per cent in EMS countries and Spanish consumer prices are rising at 5.9 per cent.

Only the most optimistic forecasts expect the government to meet its inflation forecast of 5 per cent by the end of the year.

Georgia prepares for presidential elections

By Leyla Boulton in Moscow

SOVIET Georgia holds its first presidential elections tomorrow, with Mr Zviad Gamsakhurdia, its current leader, almost certain to win despite accusations that he has dictatorial tendencies and has mismanaged the republic's campaign for independence.

Mr Gamsakhurdia, a former dissident, was elected chairman of the Georgian parliament last October in a poll which ended 70 years of Communist rule.

The five other candidates in the race for executive president include Mr Valerian Advadze, head of Georgia's Economics Institute, and Professor Nodar Notadze, both leading advocates of Georgian independence.

The disgraced Communist Party, which has tried to revive its financial fortunes by dealing in imported cars, has put up its first secretary, Mr Jimmy Mikeladze, who also says he will work for independence from Moscow.

Mr Gamsakhurdia's opponents have accused him of doing little to advance Georgian independence.

They also say he has made no headway on economic reform to prepare Georgia for independence, and has refused to take part in talks on a common Soviet anti-crisis programme.

Oil and gas workers seek 100% pay rise

By Leyla Boulton

SOVIET oil and gas workers are negotiating a 100 per cent pay rise with the government which would be financed through a big increase in the domestic price of energy, a trade union official said yesterday.

Mr Lev Mironov, chairman of Russia's oil and gas workers union, believed the Kremlin would give in to the demands of his members, rather than face industrial action in a sector which is the country's main source of hard currency.

He said the government was considering a rise in the wholesale price of crude oil from July 1 to Rbs84 a tonne from its current level of Rbs70, to be followed by a further increase to Rbs180 next year. Representatives from the Ukraine and Azerbaijan were also taking part in the talks, which are due to continue today and possibly on Monday.

President Mikhail Gorbachev last week signed a decree establishing a "special regime" for transport, as well as the key energy, steel and chemical industries. But the government has so far been reluctant to carry out threats to prosecute strikers, opting instead to give in to pay demands which could be the forerunners of hyperinflation.

Chernobyl clean-up probe

AN international study will be made of the health of some 600,000 Soviet citizens who have participated in cleaning up radioactive fallout following the Chernobyl nuclear explosion five years ago, writes David Fishlock, Science Editor.

Critics of the International Chernobyl Project, which investigated the health of nearly 1m Soviet people in areas exposed to fallout, say these "liquidators" have been ignored, despite receiving much greater exposure.

Japan has offered $20m for a study of the liquidators, to be made by the World Health Organisation. The Soviet Union has contested the findings of the International Chernobyl Project. (fri

Nato blueprint expected to be agreed

By David White, Defence Correspondent

A BROAD blueprint for restructuring Nato's armed forces, including formation of a British-led "rapid reaction" corps, is expected to be agreed by defence ministers in Brussels next week.

The plans mean a complete re-design of current Nato structure in which various national army corps – US, German, British, Dutch and Belgian – are arranged in horizontal layers across the map of what used to be West Germany.

The new structure will organise Nato forces into three main elements – reaction forces that could be deployed rapidly to Nato's flanks in a crisis, main defence forces and "augmentation" forces or reinforcements. Like the reaction forces, the main defence forces would consist of a mix of military formations from different member countries.

Britain proposes to allocate two divisions to the 70,000-strong corps which would form the land element of the rapid reaction force. These would consist of one armoured division in Germany, compared with three currently maintained there by the UK, and a lighter division based in Britain.

The corps would have a further two divisions attached to it, both multinational. One would be air-mobile and include a further British unit.

It is unclear whether the US will contribute any troops to this corps, although Britain would like it to.

Additional units could be assigned to the corps in a period of transition to war.

The planned naval and air elements of the rapid reaction force are still under consideration. The combined force will come under the Supreme Allied Commander Europe, currently US General John Galvin.

There will also be a smaller multinational "immediate reaction force", able to move to a trouble spot within a week. This will be based on the already existing Allied Command Europe (ACE) Mobile Force.

The main defence forces would probably involve six corps of mixed nationalities. None would include a UK component since the British army's commitment would be concentrated in the rapid reaction corps, under a British army commander. But Germany is said to be pressing for a more multinational command arrangement for the corps.

Tuesday's meeting of Nato's Defence Planning Committee is due to establish the main outlines and allocation of tasks. More detailed work on the new-look Nato forces will be required over the next year or two. Ministers will also have an opportunity to discuss lessons learnt from the Gulf war and review progress on a statement of Nato's new military strategy. This was originally due to be completed for this meeting. It is not now expected to be ready until the autumn, in tandem with review of the alliance's broad political aims and more detailed re-working of Nato military doctrines.

Plans for reducing nuclear stockpiles in Europe and a platform for US-Soviet negotiations on short-range missiles will also be discussed by the ministers in a Nuclear Planning Group meeting on Wednesday. But no decisions are expected.

● Germany said yesterday it planned to close a third of its military bases in western Germany because the Cold War is over, Reuter reports.

Schlesinger may head Bundesbank

By David Goodhart in Bonn

IT LOOKS increasingly likely that Mr Helmut Schlesinger, vice-president of the German Bundesbank, will take over as president for an interim two-year period following the decision of Mr Karl Otto Pöhl to leave the central bank's top job in October.

Mr Schlesinger, who is 66 and only 16 months away from the Bundesbank's nominal retirement age of 68, would then be replaced by Mr Hans Tietmeyer, the 59-year-old Bundesbank directorate member for international affairs and a close adviser to Chancellor Helmut Kohl.

The appointment of Mr Schlesinger, now seen as a near certainty in Frankfurt, would be a clear signal to the markets that Germany has not intention of relaxing its anti-inflation priority. Mr Schlesinger is regarded as even more hard-line than Mr Pöhl.

A short wait before taking over the top job would also allow Mr Tietmeyer to distance himself somewhat from Mr Kohl, with whom he worked closely on the details of German monetary union, and thus protect the Bundesbank's reputation for independence.

● The German inflation rate is, as expected, starting to climb slightly judging from the latest figure for the state of Baden-Württemberg. In mid-May the state's price index had risen 3.1 per cent a 0.3 per cent increase over April.

Meanwhile the west German trade surplus continues to shrink, down to DM2.6bn in March compared with DM13.4bn in March 1990, although up slightly from DM2.1bn in February.

EC governments object to Community tax plan

By David Buchan in Brussels

SEVERAL EC governments have objected to a European Commission plan to raise revenue through a Community tax and to give the Strasbourg Parliament more power over budgetary procedures.

Britain, France, Germany and the Netherlands have indicated their opposition to the plan tabled earlier this month by the EC's executive body in the current inter-governmental conference on political union. Such treaty revision requires agreement of all 12 EC states.

Commission officials explained yesterday that by proposing a clause in the Treaty of Rome that the Community's "own resources may include one or more Community taxes", they were only seeking acceptance of the principle of a possible future EC levy. They were not at present proposing any specific EC tax, which would require a further unanimous decision by the Twelve.

The EC budget (running at Ecu60bn or £41.4bn this year) is currently financed by customs duties, levies on food imports, a portion of member states' value added tax receipts (1.4 per cent of the notionally-harmonised Community VAT base), and national contributions calculated according to respective gross national products.

The Commission and the European Parliament have long hankered after some more identifiably "EC" source of revenue. But Mr Peter Schmidhuber, the EC budget commissioner, said this week that "it is undeniable that member states have a strong interest in keeping the last word on this sensitive matter".

The other main element in the Commission plan, to which many member states are equally hostile, would give the Strasbourg Parliament a greater say in the annual setting of EC spending, within a new system of five-year plans that would set budget ceilings.

EC ministers near deal to restrain farm spending

EUROPEAN Community officials said yesterday that agriculture ministers of the Twelve were on the verge of a deal on farm subsidies after talks lasting most of the week, Reuter reports from Brussels.

Ministers were expected to overcome last obstacles to a deal that would restrain and in some cases cut prices for 1991-92, as they resumed work on amendments that Mr Ray MacSharry, farm commissioner, had called relatively minor.

Last-minute juggling now involves trying to stay within a ceiling of Ecu32.5bn on farm spending, while leaving ministers satisfied that sacrifices are being distributed fairly.

Mr MacSharry has said that concessions made so far bring spending right up to the ceiling.

A general strike paralysed train services in France leaving stations like the Gare du Nord deserted

Hungary currency move

By Nicholas Denton in Budapest

THE Hungarian government is considering moving forward its timetable for currency convertibility to take advantage of the country's strong trade performance.

"Within one year we envisage the convertibility of the national currency," Mr Mihaly Kupa, the Hungarian finance minister, said yesterday. Capital movement by Hungarian individuals would be the only exception.

If endorsed, Mr Kupa's statement, on the first anniversary of the founding of the democratic government, would mark a significant policy shift. Government and central bank officials generally hold 1993 to be the earliest date at which convertibility could be declared with confidence.

One reason for urgency, according to a prime ministerial aide, is that the West's political will to back such a move financially may evaporate over the next two years as east Europe falls from prominence.

Cresson orders rethink on Bull

By William Dawkins in Paris

MRS Edith Cresson, France's new Prime Minister, is reconsidering plans for NEC, the Japanese electronics group, to take a stake in Bull, the loss-making state-owned computer maker.

The rethink comes as an unwelcome hitch to Bull, only seven months after the previous Paris administration gave it the go-ahead to open negotiations with NEC. These were frozen a few days ago in response to the arrival of Mrs Cresson, a harsh critic of Japanese trade practices.

Mrs Cresson has asked Bull for more detail on its Japanese partner's intentions and the likely impact of NEC's entry into the group, said a senior official. The government wanted to be assured that Bull's long-term independence will be assured.

The government's decision, due within days, will be the first test of Mrs Cresson's tough industrial policy of galvanising French business independence and resisting Japanese competition.

Mr Pierre Bérégovoy, the Finance Minister, has in the past been keen to open the way for private companies to take at least minority stakes in state businesses, if only to reduce nationalised industry's demands on the state budget.

Only last month, the government earmarked FFr4bn (£390m) of fresh capital for Bull, following its announcement of a record FFr6.8bn loss for 1990.

Bull was only recently insisting that it would complete its link with NEC on target by late June.

NEWS IN BRIEF

Irish to take charge of Dublin stock exchange

The Dublin stock exchange, affiliated to the London stock exchange since 1973, is to come under Irish jurisdiction, Reuter reports from Dublin.

The Central Bank of Ireland will approve the rules of the Irish Exchange and license its members, said Mr Albert Reynolds, finance minister. Supervision and enforcement of Dublin exchange rules are at present partly carried out by the London exchange. The changes applied only to regulation and supervision and would not affect operational links between the two exchanges, Mr Reynolds said.

Zulus defiant on weapons

Zulu leaders attending a South African government-sponsored peace conference yesterday adopted war-like tones and pledged to continue carrying "cultural weapons", setting them on a collision course with the rival African National Congress, writes Patti Waldmeir in Pretoria. They have called Zulus to a rally at a soccer stadium near Soweto tomorrow, and instructed them to come in traditional attire, which would include spears, clubs and axes.

Bangladesh presses for aid

Bangladesh, struggle to recover from floods, will seek $2.4bn aid for development projects and imports in the 1991-92 fiscal year, Finance Minister Saufur Rahman said yesterday, Reuter reports from Dhaka. Bangladesh would also seek a separate fund to rebuild the cyclone-battered economy, he said before leaving for an aid consortium meeting in Paris.

Hong Kong increases rates

Hong Kong's interest rates are being raised by 1 percentage point to 10.5 per cent, and HK$100m (£7.5m) has been withdrawn from the colony's banking system, as part of a new government strategy aimed at curbing inflation, writes John Elliott in Hong Kong. Inflation last month reached an annual rate of 13.9 per cent. Sir Piers Jacobs, financial secretary, is to unveil a further package of measures next Wednesday.

French economy flat

France's economy stagnated in the first quarter of this year, escaping by a whisker from falling into the economist's definition of a recession, writes George Graham in Paris. Gross Domestic Product had fallen by 0.2 per cent in the fourth quarter of 199, and a second consecutive quarter in decline would officially have constituted a recession.

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INTERNATIONAL NEWS

Victory for Bush in bitter battle over 'fast-track'

By Nancy Dunne in Washington

THE SENATE yesterday voted through the "fast-track" trade authority the administration needs to negotiate in the Uruguay Round of world trade talks and to launch negotiations for a North American Free Trade Agreement.

The vote, 59 to 36, is an important victory for President George Bush and follows approval in the House of Representatives on Thursday. It gives the president two more years to negotiate trade agreements which Congress must accept or reject in total.

The vote to extend authority was initially seen as uncontroversial but the issue blew up into a bitter battle.

After a decade of defeats at the hands of the Republican administrations, labour mobilised against fast-track and argued that free-trade with Mexico would destroy manufacturing jobs in the US. The recession and declining employment fuelled the argument.

The Administration's authority to negotiate under the fast-track expired on March 1. Well before then the Administration marshalled its forces for a fight to get the fast track through.

President Carlos Salinas de Gortari, the Mexican president, joined the effort in the US. The approval of fast-track is a tremendous boost to his domestic fortunes.

Mrs Carla Hills, the US Trade Representative, made dozens of speeches, met every member of Congress and appeared before a dozen Congressional committees, arguing, placating, promising a major Congressional role in the negotiations. She did nothing else for the past three months, saying if the fast-track issue was lost she might as well close down and go home.

The turning point came on May 1 when the Administration released an "action plan" promising to address job, health and safety and environmental concerns. It brought to the president's side Congressman Richard Gephardt, the House Majority Leader, who reportedly took with him 30 votes. A change of 20 votes in the House would have defeated the fast-track.

It all left the Administration a big winner, albeit with a difficult negotiating job ahead, and Mr Gephardt in trouble if he intends to run once again for president. The labour-family farm coalition which supported him in his last run is now on the lookout for another candidate.

Japanese rice farmers protesting against the US

HK calls on turtle heroes in real-life tariff battle

US-China row may hit jobs, writes John Elliott

THE PRODUCTION of Teenage Mutant Ninja Turtles and other Hong Kong goods will move from southern China, threatening thousands of jobs in Hong Kong, if US President George Bush fails to extend China's most-favoured-nation trading status this year.

Playmates International of Hong Kong would switch production for the US market of its mutant heroes from southern China to the Portuguese enclave of Macao.

Other Hong Kong companies using cheap labour in southern China say they will have to make more drastic moves. Some, like Kader Industrial which makes toys for Mattell, Hasbro and other US companies as well as its own train sets, plan to diversify further afield to Thailand and maybe Indonesia. Others, in textiles, may go out of business.

The loss of MFN status would push US import duties for China's exports sharply higher from well below 20 per cent to 35-90 per cent.

Duty on Ninja Turtles would go up from 6.8 per cent to 70 per cent, which Mr Paul Kwan, Playmates joint managing director, says would "not be commercially viable". By comparison, moving production to Macao would add only about 10 per cent to production costs.

All this spells big problems for Hong Kong, the entrepôt for southern China. In the past few years thousands of Hong Kong companies have moved labour intensive products to the Chinese side of the Pearl River Delta where it is estimated they employ some 2m workers. They cannot move back because Hong Kong has no surplus labour.

"Hong Kong would be dealt a devastating economic and political blow," says Mr Warren Williams, president of the local American Chamber of Commerce. He has just returned from one of a series of Hong Kong lobbying missions to Washington. Senior government trade officials go next week, followed by a business group led, among others, by Mr William Purves, chairman of the Hongkong Bank.

They will argue that proportionately Hong Kong would be

Cowabunga! HK is looking to Ninja Turtles to save jobs

harder hit than China. In the medium term, loss of MFN could do more harm to confidence and the economy than cancellation of the colony's proposed HK$100bn (£7.5bn) airport, which is held up because of a row with China.

The government estimates that Hong Kong's economic growth, expected to reach 3.5-4.5 per cent this year, would be cut by 1.3-1.8 per cent and that 32,000-43,000 jobs could be lost.

Hong Kong's re-exports to and from China of raw materials, components and finished goods, which totalled HK$82bn last year, would be cut by 33-44 per cent. That would reduce Hong Kong's overall trade by 5-7 per cent or about HK$70-90bn a year, based on this year's figures. These are direct effects. The sums would be larger if China reduced its general imports and investment slumped.

Hong Kong's re-exports with China have been playing an increasingly vital role in its economy. The trade flows to China comprise raw materials travelling through Hong Kong, and semi-manufactured goods originated overseas or in Hong Kong. After processing, finished or semi-finished goods flow back through Hong Kong where they sometimes receive final treatment or packaging.

The government estimates that about 54,000 of Hong Kong's 2.7m workforce are involved, making a HK$12.1bn value-added contribution to Gross Domestic Product. The entrepôt role also provides the base for other Hong Kong activities ranging from product design to financial services.

In 1990, China-originated goods going to the US totalled HK$82bn, which was about a third of the China re-exports and 20 per cent of Hong Kong's total re-exports. Put another way, 93 per cent of Hong Kong's re-exports to the US came from China.

The main products involved were: electrical appliances and electronics which represented 21.2 per cent of the total last year; toys, games and sporting goods (20.7 per cent); clothing (18.4 per cent); footwear (11.1 per cent); and travel goods and handbags (6.6 per cent).

The estimated losses to the economy are based on predictions by companies such as toy manufacturers, which say they would stop manufacturing in China within two years and move elsewhere.

Many companies, however, will carry on doing varying degrees of manufacturing on contract in southern China, while ensuring that the goods finish up with origin marks from Hong Kong or elsewhere. Others will try to absorb the extra costs if they are at the bottom end of the tariff range.

Hong Kong's main worry is that it may not make the same impact on the MFN debate as last year, when it first swung into action. "We hit Washington late in the argument in May last year - now the novelty has worn off," says Mr Williams.

"They have had our figures and arguments for a year and our opponents – trade unions like the AFL-CIO, the textile lobby, and others – have replies prepared and are ready to challenge us."

The risk is that uncertainty will lead companies gradually to withdraw from Hong Kong, already being undermined by its 1997 return to Chinese sovereignty. "Companies are saying they can't continue year by year with the MFN uncertainty," says Mr Williams. "They want a 10-year view that their investments are safe, not an annual MFN fight."

UK-EC tensions grow over Japanese car sales

By Kevin Done, Motor Industry Correspondent

MR Peter Lilley, UK Secretary of State for Trade and Industry, has written to the European Commission calling for explicit assurances about the EC's current negotiations with Tokyo on the vexed issue of Japanese car sales in Europe.

The UK is concerned the Commission is seeking implicitly to include Japanese cars produced in Europe within its planned scheme for limiting Japanese car sales in the EC.

Mr Lilley has written to both Mr Frans Andriessen, commissioner for external affairs, and Sir Leon Brittan, competition commissioner. The move intensifies tensions between the UK and in particular France and Italy over EC treatment of European-built Japanese cars in the single European market.

The present bilateral restrictions between Japan and five countries, France, Italy, Spain, Portugal and the UK, are due to be removed at the end of 1992. But the Commission has been unable to come up with terms for a transition period moving from a restricted to a free market for cars in Europe that would be acceptable in London, Rome and Paris, as well as Tokyo.

The UK is insisting there should be no link, explicit or implicit, between sales of Japanese cars produced in Europe and cars imported from Japan.

The UK is championing Japanese interests as the three leading Japanese car makers, Toyota, Nissan and Honda, are all developing their first European car assembly plants in the UK with a total investment of more than £1.8bn.

The Commission's precise negotiating stance is still unclear, but UK Government concern has been aroused by reports of the negotiating principles agreed by the Commission at the end of April.

These were understood to include a transition period until 1998 or 1999 during which Brussels and Tokyo would monitor Japanese car sales in the EC, including both shipments from Japan and those produced in Europe. By the end of the period Japanese car sales in the EC would be about 2.5m compared with about 1.26m last year, when Japanese car makers accounted for 10.1 per cent of EC new car sales.

Mr Lilley told Mr Andriessen the UK cannot accept any link between Japanese imports and so-called "transplant" production in Europe that would interfere with Japanese car makers' commercial or industrial decision-making at their European plants, or that would deter further investment.

The UK has told the Commission it would consider any restriction on total Japanese car sales in Europe which included both direct imports and transplant production to be in breach of the Treaty of Rome.

Its fears have not been allayed by a recent statement by Sir Leon Brittan, even though it was aimed at giving some reassurance to London.

Eritrea poses most thorny issue at London peace talks

By Julian Ozanne in Addis Ababa

THE combatants in Ethiopia's long and bloody civil wars will have a chance to prevent the disintegration of their country when they begin peace negotiations in London tomorrow.

A lot rests on the US-sponsored talks: life for up to 7m people facing starvation this year, the future of Ethiopia as a nation state and the political and economic stability of the entire East African region.

Rebels of the Ethiopian Peoples Revolutionary Democratic Front have continued to inch closer to the capital. Yesterday they took more territory in the south in an effort to surround it. Assurances the rebels will not enter the capital before the London talks appeared to be holding.

The departure of former president Mengistu Haile Mariam has removed an obstacle to peace. But forging a settlement out of the divergent demands of the groups will not be easy. Nor will the task of agreeing a broad-based provisional government to pave the way for a ceasefire and internationally monitored elections.

The most difficult issue in London, where the main rebel groups will meet the prime minister Mr Tesfaye Dinka, will be the secession or independence of Eritrea. For 30 years the EPLF rebels have fought for independence against a government bent on the territorial unity of Ethiopia and on keeping its coastline.

The international community does not want to fragment Ethiopia or open the door to border disputes throughout Africa, and no foreign nation has supported the EPLF's demands. But the EPLF controls most of Eritrea and it is accepted there will have to be a referendum on independence.

A tortuous web of demands and conflicts will make agreement difficult

Most Ethiopians and the international community hope a new democratic Ethiopia helped with foreign investment and aid would entice Eritreans to vote against secession.

The EPRDF, a coalition dominated by the Tigray People's Liberation Front, has been the most successful military organisation. TPLF troops are pressing Addis Ababa from three sides. They have fought for 17 years, demanding a transitional democratic government of all opposition forces.

Until recently they espoused an Albanian style of stalinism but they appear to be moderating their position to what their congress called "a revolutionary democratic political system" and a "revolutionary democratic economy".

But it is their demands for a transitional settlement which must be resolved in London. The government will have to agree to share power with opposition groups and address the EPRDF's transitional demands including the restoration of democratic rights and an international peace-keeping force inside the country.

The final issue is the question of self-determination for Ethiopia's various ethnic groups. Several, including the Afars, Ogadenh Somalis, Oromos, Tigrayans and Eritreans have expressed sentiments for self-determination. Federal and confederal arrangements, autonomy, and the free development of ethnic language and culture will also be issues.

In this complex web of demands and conflicts there is plenty of room for the talks to fail. There are signs of compromise, but there may be insufficient desire to swallow the pride, hostility and entrenched positions built up over years.

Delors plans closer links with Tokyo

By Stefan Wagstyl in Tokyo

MR Jacques Delors, president of the European Commission, yesterday revealed plans to establish a high-level task force to examine areas of political co-operation between the EC and Japan.

The group would seek ways of putting into effect a declaration the two sides intend to adopt later this year pledging closer political co-operation. It is meant to match a similar declaration last year by the EC and the US.

Mr Delors' plan, presented to Japan at meetings with Prime Minister Toshiki Kaifu, is one of the few concrete results of his three-day visit to Tokyo, the first by an EC president for five years.

The text of the declaration itself has yet to be agreed by the two sides and is the subject of tough negotiations, with Tokyo trying to stress its political content and Brussels seeking commitments to improve economic relations, including cutting Japan's trade surplus with the EC.

Mr Delors issued tough public warnings about the trade imbalance. But he avoided arguments with Japanese officials, broadening discussions to aid for developing countries and energy.

Roh appoints new South Korean PM

By John Ridding in Seoul

MR Roh Tae Woo, South Korea's president, yesterday named a conservative former education minister as his new prime minister as the first step in a cabinet reshuffle aimed at ending a wave of demonstrations and improving the standing of his government.

Mr Chung Won Shik, the new premier, will replace Mr Ro Jai Bong, who resigned on Wednesday after weeks of protests by students and dissidents.

The protests, the largest since the introduction of democracy in 1987, have been fuelled by the death of a university student at the hands of riot police in late April.

"The cabinet reshuffle will be aimed at calming popular passions following a series of demonstrations" said Mr Lee Soo Jung, the presidential spokesman. "The new cabinet will carry out national policies with new faces".

Opposition groups reacted angrily to the appointment of the new prime minister. They denounced him as a hard-line conservative and pointed to his stand against the formation of unions by teachers during his tenure as education minister between 1988 and 1990.

The New Democratic Party, the largest opposition party, said that by appointing Mr Chung "the present regime is betraying the people and their wish for an end to police rule."

Chonminyon, Korea's largest dissident group, said the appointment would not solve any of the country's political, economic and social problems.

Despite the angry reaction of opposition groups, western diplomats and political analysts believe that this spring's wave of demonstrations, which have seen more than 100,000 protesters take to the streets on several separate occasions, may now have peaked.

UK NEWS

THE BLUE ARROW TRIAL

Lack of notes from key meetings defended

By John Mason

AN allegation that senior executives of National Westminster Bank failed to keep notes of meetings concerning the 1987 Blue Arrow rights issue because the buying of shares by advisers was irregular was denied yesterday by Mr Charles Green, a former NatWest deputy chief executive.

Mr Green agreed with Mr Alun Jones QC that no notes were kept at two meetings held on September 29, the day after the issue closed.

At one, Mr Green, Mr John Plastow, a former NatWest director, and Mr Terence Green, another former NatWest deputy chief executive, met Mr Nicholas Wells and Mr David Reed, former County NatWest directors and two of the defendants, and were assured the holdings were legal, the court heard.

Both Mr Charles Green and Mr Terence Green later met the three NatWest deputy chairmen, Lord Harrowby, Sir Philip Wilkinson and Sir Edwin Nixon.

It was unusual not to keep such notes, Mr Green said. But the matter was "highly sensitive and confidential".

Mr Jones, for Mr Stephen Clark, a County director and one of the defendants, challenged him: "The reason why no notes were kept was because it was perceived by Mr Plastow, Mr [Terence] Green and you that what had gone on on the 29th was irregular and unusual and NatWest Bank senior management thought it best not to make a record of what it was told."

Mr Green replied that had that been his view, he would not have written a report on the outcome of the issue to Mr Thomas Frost, the NatWest chief executive.

Mr Green said he had both telephoned Mr Frost, who was abroad, and then, on October 6, written him a report on the situation. This report, submitted to the DTI shortly before he gave evidence, had not been kept with other papers in the Blue Arrow file, he said.

Mr Jones said NatWest had been in an "enormously powerful" position to defend itself over the Blue Arrow affair at the expense of County, by controlling which documents were presented to the Department of Trade and Industry investigation.

Mr Green responded: "The thought never crossed my mind." That influence was not used and all files were given to the DTI, he said.

Earlier, Mr Green told Mr Nicholas Purnell QC, prosecuting, that he, Mr Terence Green and Mr Plastow questioned both Mr Reed and Mr Wells about the legality of the holdings.

They were satisfied with their answers, he said, but went on: "Perhaps we did not probe as deeply as we might."

Mr Green, who resigned after the publication of the DTI report into the affair, said: "It was an unusual arrangement to say the least."

County NatWest, NatWest Investment Bank, UBS Phillips & Drew Securities and seven individuals deny the holdings were part of a conspiracy to mislead the markets over the outcome of the issue. The trial continues on June 4.

GRE hopes to raise record £38m with sale of farmland

By Vanessa Houlder, Property Correspondent

GUARDIAN Royal Exchange, the insurance company, is attempting to make the highest-value sale of agricultural land yet seen by the market with the disposal of 22,500 acres of East Anglian farmland.

The sale, which is expected to raise about £38m, follows a trend of disinvestment from farmland by City institutions amounting to 250,000 acres over the past five years.

GRE said that its decision followed a strategic review which prompted it to concentrate on its core assets, rather than divert resources to an agricultural holding that represents just 4 per cent of its £1bn commercial property portfolio.

In general, the disinvestment by City institutions is a measure of how badly agricultural land has performed since the 1970s when it was bought as a hedgeagainst inflation.

Between 1984 and 1989, the value of tenanted farms halved because of pressure on farmers from the Common Agricultural Policy. Investment values rose slightly in the past two years.

The value of farmland with vacant possession, like that being sold by GRE, has suffered less in the 1980s because of the popularity of farm ownership among business people. After rising by between 40 per cent and 50 per cent from 1987 to the start of 1989, values then fell about 25 per cent.

Savills, the land agent which is marketing the land worldwide with Robinson & Hall, said the buyer was likely to be a corporation rather than an institution.

Mr Henry Richards of Savills said the sale was so unusual that it was unlikely to depress prices of first-rate farmland, although it might have an effect on poorer-quality farms.

British Field Products, the GRE subsidiary being sold, comprises 11 farms in Cambridgeshire, Norfolk and Lincolnshire. The land, which is good-quality, is used for high-value products such as potatoes and sugarbeet, and made a profit of £2.6m on a turnover of £10.6m last year.

Tories launch offensive as Labour lead widens

By Ivo Dawnay, Political Correspondent

THE Conservatives' summer offensive against Labour opened yesterday as party image-makers struggled to launch their attacks against evidence showing the opposition stretching its poll lead.

The NOP/Independent opinion poll showed Labour on 44 per cent and the Tories down 5 points at 36 per cent, giving Labour its largest lead since Mr John Major entered Downing Street last November. Its impact was partly offset by yesterday's half percentage point interest rate cut.

The Tory leadership yesterday set in motion the strategy agreed at a Cabinet meeting on Thursday with an assault on Labour's policy and spending priorities by Mr Chris Patten, the party chairman.

Publishing a dossier of quotations from Labour's frontbenchers and its policy documents, Mr Patten argued that the opposition's spending plans conflicted with its promises of prudent handling of the economy.

"Their Treasury spokesmen claim that only pensions and child benefit are 'priorities' and everything else has to wait 'until resources allow'," he said.

"Yet other shadow spending ministers tour the country promising more money for everything under the sun," he added.

Claiming that the plans "don't add up", Mr Patten suggested that Labour would have to increase taxes substantially to pay for its programme.

Mr Michael Heseltine, the environment secretary, also used a speech in Middlesbrough to paint a positive picture of the Tories' week.

He told his audience that inflation had fallen by the largest monthly figure for a decade while the government had announced initiatives on education, training and cleaning up the inner cities

Mr Roy Hattersley, Labour's deputy leader, said in Newcastle that the government was clutching at "short-term expedients rather than seeking long term cures".

BBC agrees to new work pattern talks

THE British Broadcasting Corporation yesterday agreed with unions to hold fresh negotiations on a broad package of new working patterns and conditions of service. The move came after employees voted against BBC proposals.

The Beta staff union said "significant progress" had been made at talks yesterday.

The two sides will try to reach agreement by July 1, when the BBC has said it will consider implementing a new grading system.

PO and unions both claim strike success

THE SECOND day of a three-day strike in selected areas by counter staff at main post offices ended yesterday with the Union of Communication Workers claiming strong support and Post Office management saying it was crumbling.

An all-out four-day strike of counter staff is due to start on Wednesday. The action is over a 7 per cent pay offer which the union has rejected.

The collection and delivery of mail is unlikely to be affected.

Tebbit cleared of libelling councillor

MR Norman Tebbit, the former Cabinet minister, was cleared of libel and slander yesterday when a High Court jury rejected a damages action brought by Mr David Bookbinder, Labour leader of Derbyshire County Council.

The jury decided that the former Conservative Party chairman did not defame Mr Bookbinder when he said the council's decision to spend £50,000 on over-printing school stationery with the slogan "Derbyshire County Council supports nuclear free zones" was arguably a "damn fool idea". Mr Bookbinder faces an estimated £120,000 bill for the costs of the case.

IoS loses independence and editor

Merger of newspapers divides founders, reports Raymond Snoddy

AT 4.30pm yesterday Mr Stephen Glover addressed the staff of The Independent on Sunday and told them he was leaving. He will stay only to edit the paper this Sunday and next – the last two Sundays before the paper is integrated with its daily sister, The Independent, which Mr Glover founded with Mr Andreas Whittam Smith and Mr Matthew Symonds in October 1986.

"I am terribly sad. Not just to be leaving the editorship but also the paper I helped to create," said Mr Glover, just before announcing his resignation to the staff.

At last week's board meeting Mr Glover argued to maintain a separate Sunday paper but to make about 17 staff redundant. Further savings would come from halving the annual promotional budget of between £2m and £3m.

Another option before the meeting was to close The Independent on Sunday, whose losses are now running at around £6m a year. The board decided on integrating the two papers, with the loss of 35 journalist's jobs.

Stories of crude coups by one founder against another seem overdone. But clearly, Mr Whittam Smith believes that the Independent on Sunday will benefit from coming under his direct editorial control. As a result Mr Glover's editor's chair has gone and, although the possibility of another role in the paper has been raised, all the signs are that Mr Glover no longer feels able to work with his fellow founders.

Mr Whittam Smith, chief executive as well as editor of The Independent, sees the atmosphere of near hysteria over the integration of the two titles very differently. There is nothing so conservative, he believes, as his journalistic colleagues.

"Produce three or four issues of the paper and it becomes a sacred object. There are no sacred objects in journalism. Everything has to change and evolve," said the main founder of The Independent.

The Independent on Sunday, launched in January 1990, is now selling around 375,000 a week. Mr Whittam Smith is tackling its reorganisation under the pressure of the deepest advertising recession for nearly 20 years.

Over the next couple of weeks UK news, foreign, business and sports departments will be merged, but not arts or features. Journalists in the merged departments will provide seven-day news coverage, with each journalist working five days a week.

The 35 voluntary redundancies among journalists are being sought by Tuesday week, with another 30 from the rest of the company – 65 jobs out of a total staff of 640.

Outside the UK seven-day newspaper operation is not unusual. That is how the New York Times, the Washington Post and the Los Angeles Times are produced. And one of The Independent's continental European shareholders, the Spanish paper El Pais, has a successful integrated system, with the Sunday paper selling nearly three times the daily's circulation of around 380,000.

The only British example is the Daily and Sunday Telegraph, where initially partial integration caused chaos and resignations. Now that the dust has settled only about half the planned £1m-a-year savings have been realised.

Integration at The Independent is part of a broader review of costs in a business with an annual turnover of £85m. It will include looking at printing and distribution arrangements and buying newsprint jointly with El Pais and La Repubblica of Italy. These papers together invested more than £20m in The Independent last November. The aim is to save around £1.75m a year while waiting for the recession to end.

Newspaper Publishing, The Independent's holding company, had pre-tax losses of around £3.9m in the year to September 1990 before exceptional £3.98m pre-launch costs for The Independent on Sunday. This year's group result looks like being worse.

Was Mr Whittam Smith wrong to launch The Independent on Sunday against the now defunct Sunday Correspondent? All he will say now is that the daily was launched at a "supremely fortunate" moment into a very strong advertising market. The Sunday was launched in very difficult conditions. So he believes the breaks evened out.

"We will be back in profit from the moment that the recession is clearly over," Mr Whittam Smith forecasts.

But as there are few signs of the recession ending could The Independent on Sunday still be vulnerable even after integration? "There is no danger whatever unless we have another Gulf war and it lasts a year," The Independent editor says.

> JOURNALISTS on The Independent yesterday accepted in principle the terms of the voluntary redundancy scheme. The scheme gives a minimum of six months' pay for those leaving plus an additional £2,000 for those who work on The Independent on Sunday.
>
> Journalists voted on Thursday for a ballot on industrial action but this has been put to one side while the final details of the redundancy package are agreed.

Independent eye: Andreas Whittam Smith and Matthew Symonds pictured by the paper's photographer John Voos

Shipyard workers end two-week pay strike

By James Buxton, Scottish Correspondent

WORKERS at the Kvaerner Govan shipyard in Glasgow will return to work on Monday after calling off a two-week strike and accepting terms they had earlier rejected.

The manual workers voted by 653 to 414 at a mass meeting yesterday to accept a 21-month pay and conditions deal after the Norwegian-owned company withdrew dismissal notices which it issued last Friday against all 1,600 workers.

The company said yesterday that the outcome was "not a victory for either party". Union leaders conceded privately it was a defeat for them.

The strike began two weeks ago when workers voted narrowly to reject an offer recommended by their union officials which provided for pay increases of 6.4 per cent and 4.4 per cent over 21 months and higher overtime payments, as well as a move from four night shifts a week to five.

Last Friday management dismissed all the manual workers and said it would end an enhanced redundancy scheme which it had extended to mid-1992. It said the scheme gave "destructive elements" an incentive to force the company into a situation in which redundancies were inevitable.

The management also said it wanted the night shift to be worked in the evening instead.

Talks between the two sides were held this week under the auspices of Acas, the Advisory and Conciliation Service.

Under the terms agreed, the basic package remained the same. The redundancy scheme was reinstated until next year but will not apply to workers who go on strike. The change in the timing of the late shift has been accepted.

TWA workers to vote on industrial action

By Diane Summers, Labour Staff

TRADE unions representing UK employees of Trans World Airlines, the heavily indebted US carrier, are to ballot members on industrial action over the transfer terms of Heathrow routes to American Airlines.

TWA's three main US-London routes are due to be taken over by American on July 1. A vote for industrial action could disrupt flights before that date. Unions want their terms and conditions of employment to be transferred intact but American is insisting that the 294 TWA staff at Heathrow sign new contracts.

The transfer will end union recognition and mean that staff will, in practice, work an hour extra a week. American Airlines has said terms and conditions would be broadly similar to TWA's. A problem over the payment of a shift premium had been resolved and feedback from staff was positive, said American.

The unions said yesterday that a mass meeting of ground staff, engineers and sales and reservation staff had voted unanimously to hold the strike ballot over the next fortnight. Unions involved are the TGWU general union, AEU engineering union and MSF general technical union.

Mr George Ryde, TGWU national secretary for civil aviation, said members had been badly let down by TWA. "They have had no guarantees about their future employment and terms and conditions when the transfer of routes to American Airlines takes place at the beginning of July."

Unions representing American Airlines workers in the US had pledged support, Mr Ryde said.

TWA declined to comment.

Staff lose STC redundancy claim

By Raymond Hughes, Law Courts Correspondent

A CLAIM that Standard Telephone and Cables should have selected employees for redundancy on a "last in, first out" basis was rejected by the High Court yesterday.

The court dismissed a union-backed action for damages for breach of contract brought by maintenance workers and cable operators made redundant at the company's Southampton plant in 1989.

They had contended that a provision in collective agreements that selection for redundancy should be on the basis of seniority alone had been incorporated into their individual contracts of employment.

Mr Justice Hobhouse said that, although some collective provisions formed part of individual contracts, there was no express incorporation of the seniority provisions and no basis for inferring such incorporation.

He said the wording of the critical paragraph in one of the collective agreements was too weak in the context of the agreement as a whole to support the inference of incorporation. The relevant sub-clause in the other agreement also was not sufficiently cogently worded for such an inference.

The judge said that, in deciding who should be selected for redundancy, STC had taken into account length of service, skill, aptitude, performance, attendance record and work-approach.

SALEROOM

Italian altarpiece sells for £1.98m

THE Bromley Davenport Altarpiece, painted in Florence around 1325 by Taddeo Gaddi, and bought by the Bromley Davenport family at Christie's in 1847 for 125 guineas, was sold by their trustees yesterday at Christie's for £1.98m. The price was almost twice the estimate and confirmed that demand is still strong for traditional antiques such as Old Master paintings, silver and furniture. The Old Master auction totalled almost £10m, with 14 per cent unsold.

Gaddi was a pupil of Giotto and probably painted the five-section altarpiece for the Lupicini chapel in the church of Santa Croce. It depicts four saints ringing Jesus as the Man of Sorrows and came to the UK in the 1790s.

There was good interest in three Venetian views by Luca Carlevarijs. The best sold within estimate for £660,000 (against a price of £53 at Sotheby's in 1926). The other two paintings far exceeded their forecast, each selling for £451,000.

A view of the Rhine falls at Lauffenbourg in Switzerland made £660,000 and The Last Communion of Saint Mary in Egypt, by Sebastiano Ricci, made £396,000, slightly below forecast.

Antony Thorncroft

School admission rules clarified

By Andrew Adonis

LOCAL authorities are legally obliged not to discriminate against children living outside their boundaries in giving access to their schools, the High Court ruled yesterday.

In two separate actions, the court held that the London borough of Bromley was wrong to exclude children from outside the borough, and that Kingston upon Thames council was correct to open its schools to children from neighbouring boroughs.

In the Bromley case, parents from neighbouring Labour-controlled Greenwich applied for their children to attend schools in Conservative-controlled Bromley, but were refused places by Bromley council.

Lord Justice Watkins, sitting with Mr Justice Owen, ruled that this action was illegal. He said councils were under "a clear duty not to in any way differentiate between applicants within and those without the area of the local education authority".

In the second case, a parent sued Kingston council for broadening its admissions policy to allow children from neighbouring boroughs to enter its grammar schools. Kingston had adopted this policy after a 1989 Court of Appeal decision, and Lord Justice Watkins held that it was right to do so.

Mr Paul Clokie, Conservative leader of Kingston council, said after the ruling: "It emphasised that the government needs to put through an amendment which allows local authorities some element of discretion." He said the council had fought to retain its grammar schools and local people who had elected the council for that reason were now being penalised.

Doubts on Scots power share prices

By Juliet Sychrava and Clare Pearson

THE City expects the government to drive a hard bargain with investing institutions when it prices shares in the two Scottish electricity *companies next week.*

It appears the yield on the shares will be set at about 5 per cent, after institutions were yesterday told to bid for underwriting next week within a range of 4.6 to 5.4 per cent. Some analysts say this pricing is not generous enough to prompt an early rise in share prices when trading starts.

Results of an initial round of bidding by institutions this week showed limited demand for the shares at lower yield levels. However, at 4.8 per cent there was adequate demand to sell all the shares, and more than 5 per cent were more than once subscribed.

Several brokers not connected with the flotation say the shares do not look attractive compared with those in the two generating companies and 12 regional electricity companies of England and Wales.

Hoare Govett does not recommend buying if the shares yield below 5.2 per cent, and James Capel says that if the yield falls below 5.5 per cent, other electricity companies will be better value.

The second and final round of institutional bidding takes place on Tuesday. The government will base the offer price of the shares on the result, but is expected to drop that price to attract private investors.

Public interest in the sale has not picked up as much as expected over the past two weeks.

CBI INDUSTRIAL TRENDS SURVEY

Manufacturing orders continue to deteriorate

By Andrew Taylor, Construction Correspondent

INDUSTRY is likely to press the government for further reductions in interest rates as manufacturing orders and output continue to deteriorate, according to the latest industrial trends survey from the Confederation of British Industry.

Mr David Wigglesworth, chairman of the CBI's economic situation committee, said yesterday: "Sadly there are no obvious signs of a recovery yet. Even with the latest cut in interest rates, many firms will feel the need for a further stimulus to ensure recovery is not needlessly delayed."

The monthly survey showed that manufacturers' order books had continued to deteriorate and remained substantially below normal levels.

Manufacturing output was expected to fall even further during the next four months, said Mr Wigglesworth. The rate of decline was likely to be slower than expected.

The survey, conducted between April 30 and May 15, covered 1,259 companies responsible for about half of Britain's manufactured exports and employing more than 2m people.

The CBI said that the proportion of companies expecting to be able to raise domestic prices in the next four months had fallen sharply since a similar survey in March.

Price expectations were at their weakest since February 1967. Only 14 per cent of companies said they expected to raise prices compared with 71 per cent which expected prices to remain unchanged and another 14 per cent which expected prices to fall.

Static or falling factory gate prices are likely to be used by manufacturers as evidence that the government's fight against inflation is succeeding in leaving room for further interest rate cuts.

"The survey indicates that factory gate inflation is clearly on a downward trend," said Mr Wigglesworth. "Prices and profits are suffering as companies endeavour to maintain orders in a highly competitive and declining market."

Two thirds of companies reported that order books were below normal compared with only 5 per cent which said orders were better than normal. The CBI said order books had weakened markedly since the beginning of the year.

A third of companies expected output to fall during the next four months compared with 14 per cent forecasting increased production.

"Export order books have not weakened further since last month but nonetheless remain significantly below normal," said the CBI.

Stocks of finished goods continued to remain significantly more than adequate to meet expected demand.

EC directive likely to increase water bills

WATER BILLS are likely to rise by a quarter over the next few years because of "potentially vast" expenditure to meet higher standards set by the European Community municipal waste water treatment directive, writes John Hunt.

A House of Lords European Communities Select Committee report said the directive, which came into effect in March, will mean extra expenditure of more than £8bn on improved sewage and waste disposal.

Municipal Waste Water Treatment, Select Committee on the European Communities, HMSO, £11.65.

London's economy forecast to lag country

By Neil Buckley

LONDON faces economic growth of only 1.5 per cent a year in the next five years – among the lowest in Britain – unless there are big improvements in transport and local administration, according to a report published yesterday by the Henley Centre for Forecasting.

The future of the capital seems set to become a political issue after publication of the Labour party's manifesto for London earlier this week.

Dr John Rigg, presenting the report to a symposium organised by the Labour-dominated Association of London Authorities, warned that there were doubts about whether London would be able to compete with ambitious improvement schemes in cities such as Frankfurt and Paris, and even other British cities. He cited Manchester's selection as the British bid for the 2000 Olympics as an example of London's decline.

The Henley report said the south-east had been affected earliest and hardest by the present recession as it was particularly exposed to the impact of high interest rates. The recession also differed from that in the 1980s because the service sector – dominant in London and the south-east – was the worst affected.

Dr Rigg said that London's ratio of unemployment to vacancies – a measure of economic dynamism – was the worst in the country at 26 to 1.

The report predicted that the first signs of economic recovery would begin in the third quarter of this year, but that London's rate of economic growth might be less than half that in some areas of the UK.

Ms Margaret Hodge, chairman of the ALA, said: "The message crying out from all the physical symptoms is that London is on the slide and is in need of some intensive care."

Baroness Blackstone, master of Birkbeck College in London, called for a single 30-member authority to oversee strategic planning and London-wide services and to promote the image of the capital.

Rate cut leaves finance markets unmoved

Peter Norman reports on why any further easing is likely to be a cautious process

RARELY can a British interest rate cut have been so fully discounted by financial markets as yesterday's half percentage point reduction in bank base rates to 11.5 per cent.

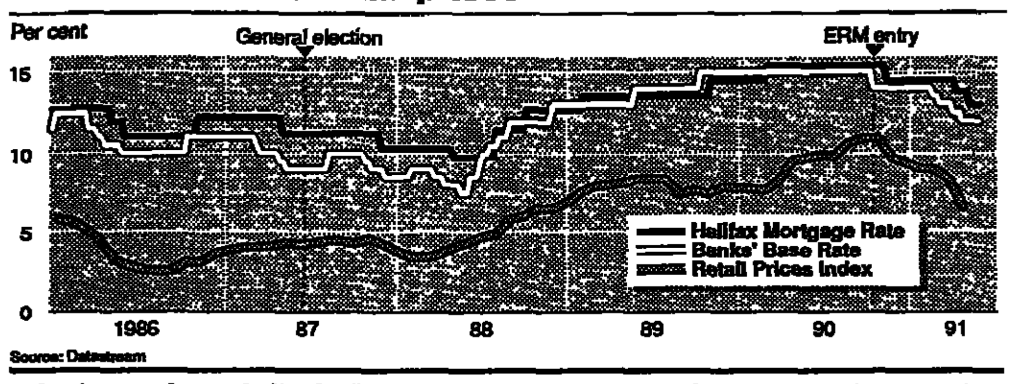
Sterling stayed steady on the foreign exchanges and ended the week the third strongest currency in the exchange rate mechanism of the European Monetary System. On the domestic money market, the bellwether three-month interbank rates showed a minimal sixteenth per cent rise to about 11⅛ per cent, suggesting that the rate cut broadly matched expectations.

Only on the market for government gilt-edged securities did there appear to be hint of future trouble. But a five-eighths point drop in prices at the long end of the market after yesterday's cut turned out to be largely a technical reaction to a sharp rise in gilt prices the night before, rather than a reflection of market fears that the rate cut could be a harbinger of future inflation.

Indeed, the Bank of England and Treasury had some reason for feeling pleased with themselves after the fifth half-point cut in bank base rates this year.

By resisting a cut the previous Friday, when the government announced a sharp 1.8 percentage point fall to 6.4 per cent in April retail prices inflation, they have demonstrated that there is no automatic link between bank base rates and the sometimes misleading "headline" indicator of inflation. That delay before yesterday's rate cut – resulting in a six weeks interval since the previous half-point base rate reduction – also underlined how the period of rapid interest rate disarmament had come to an end.

Interest rates and retail prices



Source: Datastream

In the central bankers' world of nods, winks and arcane money market signals, the authorities have got the message across that the next cut, when it comes, will be after lengthier contemplation than the two or three week intervals that punctuated the fall in base rates from 14 per cent to 12 per cent between mid-February and mid-April.

The Bank and Treasury had also managed to steer rates lower against a chequered political background. The gains made by the Labour Party in the opinion polls at the Conservatives' expense have not crimped monetary room for manoeuvre.

Yesterday's modest cut should also lay to rest recent speculation about possible rifts between the Bank and the Treasury over the easing of monetary policy. The half-point cut is not inconsistent with recent warnings by Mr Robin Leigh-Pemberton, the governor of the Bank of England, against "false dawns" in the battle against inflation or against the "siren voices" that have urged lower interest rates to boost economic growth.

The latest cut did not please everybody. Mr John Smith, the shadow chancellor, said the government should have acted more decisively by cutting the rate by a full percentage point. Mr John Banham, the director-general of the Confederation of British Industry, who like Mr Smith has been campaigning for a bolder programme of monetary easing, said the cut was "none too soon".

On Thursday evening, rumours circulated that the government could decide a full percentage point cut in connection with a decision to move sterling to the narrow 2.25 per cent ERM fluctuation bands from the present 6 per cent fluctuation margins.

But the half-point reduction was fully consistent with precedent – only two of the 58 base rate cuts in the past 10 years have been of more than half a point – and came at a time when economic signals were not sufficiently clear to permit a bolder relaxation of counter-inflationary policy.

Inflation signals have been less than clear since the previous cut. Although headline RPI fell sharply in April, the annual rate of output price inflation has risen and there has been only a modest fall in average earnings. On the other hand, survey data and reports of pay pauses and wage freezes suggest that further disinflation is in the pipeline.

Indicators of activity are similarly mixed. This week's report of a 0.6 per cent decline in gross domestic product between the final 1990 quarter and the first quarter of this year suggested that the pace of recession was slowing. But there have been few signs of a further economic improvement in April while unemployment is rising at a rate not seen since the 1930s.

The picture in the high street remains clouded after last month's reversal of the sharp retail sales increase in March. Industry, to judge from yesterday's CBI industrial trends survey, expects output to weaken further.

In one respect, the Bank and Treasury have been fortunate. The pound's strength in the EMS and recent interest rate cuts by Spain and Italy provided a benign external environment for yesterday's move.

Looking ahead, this latest base rate reduction will have a more significant effect on the economy than the last similar cut, because it has triggered a fall in mortgage rates. This should give some support to the housing market, enhance the "feel good" factor among Britain's home owners and help push down the headline RPI, which for all its faults remains an important guide for wage bargainers.

It is fair to assume that the next step in base rates will be downwards as it becomes increasingly likely that headline inflation will fall towards the government's forecast of 4 per cent in the fourth quarter of this year.

Mr Gavyn Davies, chief UK economist of Goldman Sachs, believes base rates could be cut to 10.5 per cent before causing problems for sterling. The futures market was yesterday pointing to 10 per cent base rates in December.

What is certain is that the Bank and the Treasury will be anxious to proceed cautiously in cutting rates further and lag market expectations. It remains to be seen whether their political masters show such discipline in the run-up to the next general election.

Lord Chancellor rules out 'no fault' medical scheme

By Robert Rice, Legal Correspondent

A WEEK after endorsing a limited no fault compensation scheme for victims of motor accidents, Lord Mackay, the Lord Chancellor, has ruled out the introduction of a similar scheme for victims of medical accidents.

Speaking to the Royal College of Physicians in Edinburgh last night, the Lord Chancellor said the case for no fault compensation in medical cases had not been made.

The introduction of such a scheme would be tantamount to the insuring or underwriting of a risk of a kind which he did not think the state should have to fund. It could only be provided at the present level of damages at a very great cost, Lord Mackay said.

On the other hand, fear of being sued for negligence could make doctors unnecessarily cautious. The time had come to consider changes in personal injury litigation procedures and compensation.

The growth in personal injury litigation, with 60 per cent of contested cases involving claims of negligence, had raised a number of issues which needed to be addressed, he said

Judges frequently faced the difficulty of having to decide on a person's condition well into the future when doctors themselves could not agree on the long-term prognosis. A possible solution to this was the "structured settlement", where damages were paid over a period rather than in a lump sum.

There was also the question of whether courts should continue to disregard the availability of NHS facilities in calculating compensation to cover future medical expenses; and whether punitive damages should be awarded in cases which involve negligence.

Lord Mackay told the doctors: "As a profession you must have confidence in your own abilities, judgments and standards.

"Again, as a profession, you must, of course, have the courage to admit fault where such exists, but equally the courage to resist those cases where, in your considered view, the case against you has not been made out."

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Politics of interest cuts

THE government has for some time pursued an economic strategy credibly devoted to lowering inflation and restoring long-term economic stability. But it also hopes to win the next election. The two aspirations coincide to the extent that it is able to lower interest rates, and that it then finds the voters who matter most to it care more about interest rates and inflation than about recession and unemployment.

Mr Lamont has certainly delivered his side of the bargain. He has a good chance of delivering still more. Some time in the next 13 months the government will learn whether disgruntled voters will deliver their side of the bargain as well.

Yesterday's cut in base rate to 11½ per cent was the sixth since the eve of sterling's entry into the European exchange rate mechanism, when base rate was 15 per cent. Monetarist critics of that move have been confounded. Furthermore, the annual increase in the retail price index fell by almost two percentage points in April alone. It should be down to 4 per cent, or less, by October.

Low inflation, low interest rates, low unemployment and strong economic growth would have been Mr Major's preferred combination for the election campaign. But two out of four is not that bad for a government which faced 15 per cent base rates, inflation in double figures and an economy in a deepening recession six months ago.

The more severe the squeeze, the quicker inflation would fall and the easier it would be to persuade the markets that interest rates should be cut. The recession has certainly proved deep, as this week's data confirm. Gross domestic product fell in the first quarter of 1991 for the third successive quarter. Retail sales also remained depressed in the first four months of this year.

Dictating terms

Yet neither domestic economic conditions nor political necessity dictate monetary policy in the ERM. Last autumn, as sterling languished near the bottom of its effective lower band, the D-Mark's strength appeared to preclude the interest rates cuts that the government needed.

Part of the credit for these interest cuts is due to the growing credibility of the government's counter-inflationary stance, supported by strong utterances from the governor of the Bank of England.

The more Mr Robin Leigh-Pemberton sounds like a president of the Bundesbank, the more credible becomes the UK's resolve. For that performance alone the government might well feel he deserves his 17 per cent increase in salary.

The task has also been made easier by events in Germany and the US over the past six months. The growing awareness of the rising costs of German unification has weakened the D-Mark against the dollar, helping to push sterling above its central rate in the ERM.

Will the government's luck continue? At least, there is plenty more deflation in the pipeline. The latest Confederation of British Industry monthly enquiry shows that both output and orders fell further in May.

Political case

If sterling stays strong in the ERM and inflation keeps on falling, the government may hope to see further base rates cuts, perhaps even below 10 per cent. The political case for such cuts is clear. The economic case is weaker. Underlying inflation remains stuck around 7 per cent, while the unit labour costs of UK companies continue to outstrip those in Europe.

The government's plans may yet be stymied by events in Germany. German economic growth is beginning to slow. But the combination of rising wage pressure, increases in indirect taxes and the weakness of the D-Mark will push German inflation higher. The next move from a nervous Bundesbank could even be up.

Mr Major will also be worried by the economic consequences of the recent poll showing Labour eight percentage points ahead. If the markets come to believe that Labour is likely to win and then devalue, the government may be forced to raise interest rates, in order to defend sterling within the ERM, before the election.

On the bright side, the consumer-led recovery the Treasury's economists have forecast for the second half of this year would provide a further welcome boost for the government. The problem is that the government can only cut interest rates to persuade consumers to start spending again. It will presumably try to cut rates further, and there is a fair chance that it will succeed.

Yet one further thought must haunt Mr Major's sleep. Perhaps political pundits have got it wrong; perhaps high and rising unemployment does matter, especially if it rises fastest in the south of England. High unemployment, Mr Lamont says, is a price that has to be paid for lower inflation. Might many potential Conservative voters see the increased risk of unemployment as too high a price to pay?

Charles Leadbeater and Roland Rudd talk to Lords Hanson and White about their plans

Corporate crusaders

Imperial Hanson Industries has quite a ring to it. It would be a formidable industrial force on the world stage – the product of a merger between Hanson, the acquisitive industrial conglomerate and Imperial Chemical Industries, two companies which represent the best of very different aspects of British industry.

Hanson's ability to buy and sell assets, to drive out cost and generate profits, would be combined with ICI's respectability as one of the few truly world-class UK manufacturers.

Imperial Hanson, as it might be known, would extend from paints and explosives, to bricks, vitamin pills and tobacco. IHI would have a combined turnover of almost £20bn, pre-tax profits of more than £2.3bn, fixed assets of about £17bn and more than 210,000 employees worldwide.

The combination of financial strength and Hanson's eye for undervalued assets would open up ever-widening horizons for acquisitions on a huge scale. For Hanson it would bring the vital advantage of extending its reach beyond the UK and the US, into Australia, Europe and eventually the Far East.

It sounds like a fantasy, the wild imaginings of someone drunk on his own success. Enormous obstacles would have to be overcome. The government would face a Labour campaign to prevent ICI falling into the clutches of a company the opposition regards as an asset-stripper. There would be regulatory hurdles to surmount in Europe and the US. Investors would need persuading that such a large and diverse group could be effectively managed. Lords Hanson and White are both nearing the end of their careers and they would need to convince the City that plans were in hand for the management of the behemoth after they departed.

Nevertheless, it is the dream of a merger between ICI and Hanson that appears to be feeding the imagination of executives at Hanson's headquarters overlooking Hyde Park Corner in central London. The ambition to combine the groups appears to be the motive behind Hanson's purchase last week of a 2.8 per cent stake in ICI.

Hanson is reaching into the heart of the old British industrial establishment. When three weeks ago the group's founders, Lord Hanson and Lord White, finally decided to buy the stake, even some of their closest advisers could not prevent their jaws dropping.

Hanson's view is that even national institutions have to adapt or ossify. The view from its offices is that ICI is a company which has lost its way. It needs a torch put under its management. Twenty-five years ago Hanson was the industrial upstart and ICI was the aristocrat. As one Hanson adviser puts it: "We are the establishment now."

It is generally recognised that the bid comes at a crucial time for ICI as the recession exposes its inadequacies. The next year will change ICI's character as its management pushes through a wide-ranging restructuring programme.

But it is arguable that this affair will be equally significant for Hanson. It, too, could be at a turning point. After the big acquisitions of Hanson's golden period in the mid-1980s – the Imperial Group in the UK and the US conglomerate SCM – there have been suggestions that Hanson has been losing its touch. Without a big deal, its 25-year unbroken run of increases in earnings could end. Politics is turning against it, with Mrs Thatcher gone and Labour resurgent in the polls. The ICI affair could mark the latest stage in Hanson's rise, but it could just as easily mark the peak of its fortunes.

Trevor Humphries
Hanson: 'We do not want to do big hostile bids in the UK or US'

That is not a well-received suggestion in Lord Hanson's office, dubbed by one former senior Hanson executive as "the furnace".

However, Lord Hanson does recognise the risk to the group's standing if a hostile bid were to turn sour. He says: "The real downside risk is that we could ruin our reputation by going for something just because it is there. Allied-Lyons or Sears could be taken anytime, but we do not want to go for them."

He believes it is vital Hanson should have the confidence to be ambitious. Almost in passing he mentions how easy it would be to buy into Du Pont, the US chemicals group.

Yet he denies the group needs a mega-bid to keep growing: "We do not need a massive deal for its own sake. I have two on my desk right now that we are looking at. Fascinating deals, both on the continent, neither of them massive."

Indeed he goes further in disowning any appetite at all for exacting corporate battles: "We do not want to do big hostile bids in the UK or in the US."

But there is a recognition that the group should embark on further development. The ICI move is the first signal of that change of direction. "Large companies go through phases," says Lord Hanson. "First we had to pull ourselves up by our bootstraps. After 15 years we finally got known. Now people accept that we have a skill for management."

Hanson's established Anglo-American money-making recipe is about to be modified: "We have become so successful financially that we are now able to look at other ways and means of making money for our shareholders by going into other parts of the world."

By the mid-1990s, when Lord Hanson hands over to a younger generation, probably including his eldest son, Robert, he wants the company to have a truly global spread. That would be difficult to achieve through large takeovers on the continent and in the Far East. So the logical route is to buy or merge with a British or American group with just that global reach.

Hanson seems to be sending two messages to the markets, Westminster and the managers within ICI's Millbank headquarters overlooking the Thames. The purchase of the stake is a signal that Hanson is on the move. Yet the disavowal of hostile bids appears to be a signal that nothing imminent is planned for ICI. Hanson managers will be unrelenting in their scrutiny of their counterparts at ICI for perhaps as long as a year. If they fail to perform, Hanson – as ICI's second-largest shareholder – will start to flex its muscles.

They will be egged on by Lord White, the creative force at Hanson who, with Lord Hanson, met Sir Denys Henderson, the ICI chairman, for talks earlier in the week. He has lost none of his disdain for traditional British management.

He says: "There is a strong streak of arrogance within the management of companies. It is a sort of 'we' complex; we know best, we want to run it our way. When you propose a merger with a company or the possibility of taking a stake to benefit shareholders they immediately pull back. We are told not to rock the boat."

In a revealingly personal swipe at the archetypal British manager, White, the 69-year-old fitness fanatic, adds: "So many managers are overweight, drink too much and smoke too much, they have to give up when they get into their sixties."

The calculations within Hanson are that at least £500m a year could be cut from ICI's costs, much of it from its international bureaucracy.

But for the moment Hanson will play Mr Nice Guy. It stresses its intentions are friendly. It just wants to help ICI with some ideas.

At worst the stake could be a safe, modestly profitable investment. But Lord Hanson says wryly: "I only know about running businesses, I have never really known much about the stock market."

Beyond that a variety of relationships between ICI and Hanson are conceivable. If ICI starts to dispose of assets through its restructuring programme, Hanson might be a buyer. Hanson believes ICI should spin off its pharmaceuticals division to merge with another drugs group to create a company group matching top names in the industry such as Glaxo or SmithKline Beecham. Hanson might take a stake in such a pharmaceuticals company or a minority stake in ICI itself. But for Lord White, the best outcome would be a merger to create IHI.

Over the next few weeks Hanson's helpers will be seeking to cast the company in what to some may seem an unlikely role: an asset manager rather than an asset stripper, a crusader for corporate health and fitness rather than a prowling predator. The word is that IHI would retain many of ICI's businesses, such as paints and agro-chemicals.

Hanson's aim will be to put all the onus on ICI. It will haunt ICI in the coming year. Should ICI fall from grace, Hanson will be there to try to catch it. Hanson executives are confident pension fund managers would show no sentimentality over ICI's fate and the creation of IHI.

Moby Dick makes waves

John Hunt examines the emotive issue of commercial whaling

When the International Whaling Commission meets in Reykjavik, Iceland, on Monday, the atmosphere is likely to be anything but calmly scientific. The emotive issue of commercial whaling is on the table again, just five years after a temporary worldwide ban was imposed.

Since that ban in 1986, the world's press and environmental groups have kept whaling at the forefront of public debate. "Green" groups see an end to whaling as a flagship issue for world conservation. Slaughter of the mammals has been massively reported in the media and governments have been under immense pressure to end it. "But the wolf is still hounding the flock," says Andy Ottaway, whaling campaigner for Greenpeace, the environmental organisation.

Today, eight environmental organisations are holding a rally in Trafalgar Square, London, with pop stars and actors protesting against the "senseless slaughter". The Icelandic government has already raised the temperature by accusing Greenpeace of "resorting to slanderous tactics to entice support from those unfamiliar with the issue".

Against this highly-charged background, representatives of 36 nations are reviewing the call to end the moratorium, on what Japan hopes will be a "basis of scientific evidence in a calm and non-emotional manner".

In the past, Norway, Japan and Iceland, the main whaling countries, have threatened to walk out of the IWC unless they are granted commercial quotas. There are fears that they could carry out the threat this year unless they get their way. Such a move could lead to the anarchy of individual countries deciding what their catches should be.

Since 1986, the commission's science committee has carried out an assessment of whale stocks to see whether they could withstand a resumption of commercial whaling and the setting of new catch limits. Scientific evidence of whale numbers and location proved so inconclusive, however, that any decision was postponed. Counting again proved difficult after further investigation this year, so the process of setting new quotas may be stalled.

Stocks do appear to have recovered somewhat since the moratorium. Scientists estimate that in the north-east Atlantic there are between 40,000 and 114,000 minke whales, the smallest of the whale family. In the Antarctic there could be 200,000 to 1m. The span reflects the difficulty of making an accurate count.

Countries have been permitted to continue whaling for scientific research since 1986 – a pretext, say green campaigners, for keeping whaling vessels and equipment in operation until commercial whaling can be resumed.

Japan has been the biggest taker of whales under the science programme – 300 in the Antarctic last year and 322 scheduled this year. Norway killed five whales for scientific purposes last year and will take none this year. Iceland took 68 fin whales, a large species, in 1989, but none since.

Oil and to some extent bone used to be the chief products but whales are now caught mainly for their meat. A minke whale can sell for £5 to £10 a lb wholesale, or about £25,000 for a single carcass. Prices rise steeply on the retail market. Whale meat is £70 a lb in Japan, the market for much of the whale meat exported by Iceland and Norway.

Why are whaling nations so eager to resume a trade which causes considerable opprobrium? Employment is part of the answer. In Japan only 28 per cent of those thrown out of work in large coastal whaling firms have found jobs since the moratorium; 18 per cent have found part-time or temporary work. The Japanese government also says whale meat is a traditional part of the diet in some coastal regions, but surveys dispute this claim.

In northern Norway about 1,500 people were involved directly in seasonal whaling with many more jobs indirectly dependent on the trade. Some northern communities are taking a £20m court action against the Norwegian government, claiming it was illegal for it to implement the moratorium.

To support its call for a resumption of commercial whaling, Japan says there are at least 760,000 minke whales in the southern hemisphere. Norway estimates there are 80,000 minke whales in the north-east Atlantic. Iceland says there are tens of thousands of whales within its 200-mile fishing zone.

But these figures do not dispel arguments over the ethical basis of whaling. Critics say it is an inhumane activity that should be banned permanently, whatever the size of stocks.

John Gummer, the UK agriculture minister, says Britain will vigorously support continuation of the moratorium. The US, Australia and New Zealand are likely to take a similar view. The UK, which gave up whaling in 1982, will not contemplate resumption until it is clear that stocks are at healthy levels and a humane killing method has been developed. The explosive harpoon does not meet this criterion and methods such as electronic stunning have proved impracticable.

In these circumstances the chances of finding a compromise on the setting of new commercial whaling quotas at Reykjavik are slender.

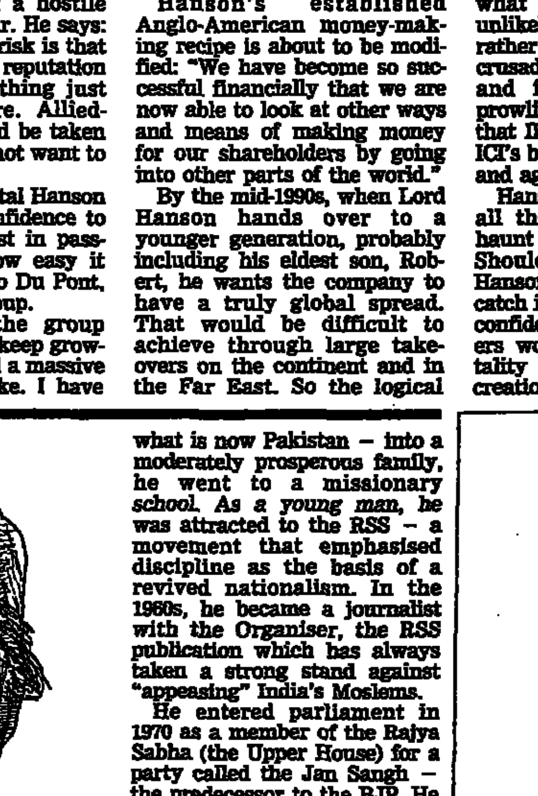
"The way we kill whales revolts and appals many people, among them myself," says Mr Gummer. "I hope the world has changed from the Captain Ahab view of Moby Dick."

MAN IN THE NEWS

L K Advani

Low-key image masks a Hindu hardliner

By David Housego



For Mr Lal Kishanchand Advani, leader of India's Hindu revivalist Bharatiya Janata party (BJP) this has been a week for lying low.

He was overwhelmed – like every Indian – by the tragedy of former prime minister Rajiv Gandhi's assassination in a bomb explosion on Tuesday and the damage it could do to India's democratic institutions. But this has not dimmed his determination that the BJP should replace the Congress as the country's largest party – and thus the natural party of government.

Before Tuesday, the surge in strength of Mr Advani's revivalist movement had been the main feature of the Indian general election campaign which was supposed to have ended this week. It is a bitter irony that a campaign which has seen the death of the last representative of the Nehru dynasty and its secular tradition should have also seen the coming to prominence of a man who stands for everything that Gandhi was against.

Before polling began on Monday, Mr Advani was brimming with confidence – a sentiment that seemed to be borne out by the findings of a New Delhi exit poll which showed the BJP ahead in six out of seven of the capital's constituencies.

But Mr Advani is playing a longer game. His party still needs a year or more to consolidate its strength in the north and to extend its reach further in the south where it is still weak. At the next election he believes the BJP could gain a landslide victory – which would make him the obvious choice as prime minister.

His hopes are well enough founded to worry those Indians anxious to maintain the secular ideals that India inherited from Jawarharlal Nehru: the separation of religion and politics and of Hindus and Moslems living in harmony.

Mr Advani has been aptly described as a "soft-spoken hardliner". Mild mannered, unfailingly courteous, a much respected debater in parliament, he has been the party's principal asset in this election in its drive to win middle-class support.

To educated Indians brought up on western values, who have long felt there was something shameful and obscurantist in parading their Hindu religion, he has brought the message that they should stand up and be counted. "I will not be defensive," he says. "We have been defensive for too long."

Officials, businessmen, film stars and the urban young have flocked to the party in disillusionment with the opportunism and inefficacy of governments since independence. "You have had Congress governments for 40 years," Mr Advani tells his audience. "Now give the BJP a chance."

But Mr Advani has also all his adult life been a member of the Hindu extremist Rashtriya Swayamsevak Sangh (RSS) which has thrived on appealing to Hindu resentment against India's minority Moslem community. As leader of the BJP, he has drawn it closer to the Hindu crusading organisation, the Vishwa Hindu Parishad (VHP), which has promoted the campaign to build a new Hindu temple on a disputed site at Ayodhya.

Asked why he permits campaign speakers such as the charismatic Hindu preacher Sadvhi Rithambara to inflame audiences with vituperative anti-Moslem statements, Mr Advani has no real answer. "I own responsibility only for myself," he says, arguing that a mass movement inevitably attracts diverse elements.

The big uncertainty is whether the tail would wag the dog if the BJP came to power – whether Mr Advani could control his extremists or whether they would push him to an increasing confrontation with Moslems that would result in further violence.

Mr Advani's new middle-class following will, of itself, exert a restraining influence. His supporters are convinced that in office he would be the pragmatic, level-headed leader that he appears in parliamentary debates. The business community is convinced that he will pursue market-oriented economics. "My policy may conform to their perceptions – to some extent, not the full extent," he says.

But Mr Advani is too wedded to the vision of India as a Hindu rashtra (state) to let the concept drop. "This is essentially a Hindu country," he says, arguing that Nehru should have shown greater respect for the sentiments of the Hindu majority.

Mr Advani, who has two children, lives in a modest house in New Delhi. He is approachable, articulate, and insistently good-humoured. He has himself been amazed at the enthusiastic response he has received during this campaign. "People are treating me like a religious leader," he says. Admirers touch his feet and seek his blessing.

His campaigning style is far from demagogic. He speaks in a low, throaty voice, humouring and caressing his audience. With his brush moustache, his bald head and heavy glasses, he has the look of an avuncular retired colonel.

Born in 1927 in Karachi – in what is now Pakistan – into a moderately prosperous family, he went to a missionary school. As a young man, he was attracted to the RSS – a movement that emphasised discipline as the basis of a revived nationalism. In the 1960s, he became a journalist with the Organiser, the RSS publication which has always taken a strong stand against "appeasing" India's Moslems.

He entered parliament in 1970 as a member of the Rajya Sabha (the Upper House) for a party called the Jan Sangh – the predecessor to the BJP. He became Information Minister when the Jan Sangh was a member of the Janata coalition government formed in 1977, and BJP president in 1986.

Mr Advani's real success began in the late 1980s, when he set out to create a mass movement out of a long-standing controversy over the building of a temple to Lord Ram, the Hindu deity, at Ayodhya. In mid-1989, he set out on a journey across India in a truck decorated as a chariot to mobilise support for the temple. He drew vast crowds as he developed the theme of the temple as a symbol of Hindu unity.

The rath yatra (chariot pilgrimage) brought him into conflict with the government of former Prime Minister Mr V P Singh. It also helped precipitate rioting between Hindus and Moslems in north India. But as he had hoped, he emerged with a martyr's image, and thus broadened the party's base to the point where it can challenge Congress.

With yesterday's cremation ceremonies for Rajiv Gandhi out of the way, Mr Advani will return to the campaign trail in advance of the final two days of polling, expected to be June 12 and 15. He hopes to capitalise on Congress's difficulties in finding a leader and on its initial choice of Mrs Sonia Gandhi – an Italian-born Christian – as its president. But Congress will also benefit from a wave of sympathy in the wake of Mr Gandhi's assassination. It is still a moot point which way voters will swing as the election reaches its denouement.

Don't bet against the bookmakers, writes **Michael Thompson-Noel**

Turf wars — they're off

There is a stereotypical view of bookmakers that sees them as avaricious money-changers camped in the deepest recesses of the temple of capitalism: cunning and parasitical — likable rough diamonds with rococo tastes and an eerie talent for survival.

At a guess, perhaps half of it is true.

In like vein, there is a view of the Jockey Club, which governs British racing, that sees its members as autocratic, aristocratic, self-elected, self-serving, pompous and aloof — fuddy-duddies rich to the brink of somnolence and incapable of running the modern leisure business that horse racing has become.

About half of it is true.

In themselves, the class differences between these two groups, bookies and Jockey Club members, are ripe enough to explain much of the wrangling and dissatisfaction — the ceaseless cries for "More" — that enliven British horse racing.

On one side are the owners, trainers, breeders, racecourses and the Jockey Club, who believe their sport is short-changed, and want to wring more money from the bookmakers. Ranged against them, the bookies — particularly the Big Three: Ladbroke, Coral and William Hill — are equally determined not to give them any.

This week, an attempt to resolve racing's money squabbles was launched by the House of Commons' home affairs committee with a report on the betting levy, which is paid by punters, collected by the bookies and channelled, via the Horserace Betting Levy Board, into racing. At present, about £38m is being raised via the levy. The Jockey Club wanted £100m.

In the event, the committee plumped for a Solomonic £50m at current prices — a significant increase for racing. The MPs said that most of the higher levy should be paid by the Big Three. And they urged other reforms — chiding the racing industry for poor management and lack of marketing flair; urging the Jockey Club to devise a more betting-friendly fixture list; supporting Sunday racing; advising that betting shops be allowed to stay open till 9pm; and calling for the eventual sublimation of the Levy Board, Jockey Club and the Horseracing Advisory Council into a "powerful and competent single body to speak for and manage the racing industry".

All very jolly. The report was greeted enthusiastically. But radical it was not. For instance, it steered well clear of any notion that Britain banish its bookmakers and introduce a state-owned, state-run Tote monopoly. Virtually all other racing countries use a Tote monopoly to provide betting services — a key reason why British racing lags far behind most other countries in terms of funds from betting returned to the sport.

If this week's proposals eschewed radicalism, they were politically clever and undeniably astute. But will they be accepted? The key recommendation was that the extra money for racing — £12m to £13m at 1991 prices, starting next year — be paid directly by the bookmakers and not taken from punters' pockets. This would have a significant impact on bookmakers' margins. At it stands, one of the Big Three, Coral, part of Bass, is for sale, and a second, William Hill, part of debt-demoralised Brent Walker, is possibly for sale.

The bookies would resist to their last breath any attempt to make them pay more. They are squealing already, and are likely to work themselves into a rage if it seems that this week's proposal is attracting Home Office support.

The government wants to have as little as possible to do with racing, but betting is different — tightly governed, highly profitable and an important revenue earner. In 1989-90, betting duty raised £459m, of which about 73 per cent came from horse-race betting.

Racing *sounds* a large business, because of its three divisions, breeding, racing and betting. It employs more than 100,000. But it is not that large. Market research suggests that in an average month only one person in 20 bets on a horse.

As the MPs observed in the report: "Despite the passions which racing arouses, it is hardly vital to the life of the nation." Nor is it in crisis. At present, betting turnover is under a cloud, affecting the levy and bookies' profits. Many trainers are struggling as owners, who lose mightily on average, reduce their spending.

But this is part of the cycle. "Perhaps there is not yet a crisis," says the committee. "But the fat years are at an end. Alarmed by this, some in racing have an unfortunate tendency to think that bookmakers and punters can be tapped to alleviate their problems. But the levy should not be a way for the weekly flutter to be diverted to the racing account of the rich. It should not even be a means for enabling relatively rich men and women to indulge their hobby at the expense of relatively poor men and women."

Race for more betting levy funds: so far the Jockey Club is winning

That said, the bookies have been told that their past contributions to the sport have been manifestly inadequate.

What the MPs did not say was that bookies are extremely privileged. Bookmaking is an idiot-proof system for laundering great volumes of cash and extracting a golden residue — the punters' losses — which can then be used to finance forays into other areas. Market leader Ladbroke has done this for years, piggy-backing a large leisure, property and hotels group on the rock-solid profits base of its UK betting shops.

When push comes to shove, the bookies will campaign aggressively against giving more money. Mr Tom Kelly, director of Bola, one of the betting shop trade bodies, says that the MPs' report is "superficial and panders to populist pressure. If you alter the basis for the levy, you have got to say why you've done it. The committee hasn't examined the state of the bookmaking industry, and bookies won't accept the recommendation.

"Racing *must* get its house in order and boost its own income. But even if it does, I do not believe there would be any chance of bookies agreeing to £50m. If it is imposed on them, they will simply pass it on to the punters."

As for the Jockey Club, the MPs were rude about its "rabbit-from-a-hat" request for £100m. They noted that the club had appointed a chief executive, Mr Christopher Haines, with extensive business experience, and had a senior steward, Lord Hartington, who was widely respected. "None of our witnesses questioned the Jockey Club's dedication, but they did question its effectiveness."

However, it is the Jockey Club that has most to show from this week's proposals. It asked for £100m and got approval for £50m.

In 11 days, attention will focus on the Derby at Epsom. As usual there will be melodrama, glamour, jellied eels, frenzied betting and a field of valuable racehorses.

The nobs from the Jockey Club will be there. And so will the bookmakers. If the toffs look a shade more languid than usual, and the bookies a bit touchier, it will be because their latest shemozzle has gone to the Jockey Club. But do not bet against the bookies. Even now, they are plotting revenge.

In units we trust

Philip Coggan on an industry in search of simplicity

Investment made simple is the slogan the UK unit trust industry is trying to live up to. But this drive for simplicity has provoked a complicated debate about the best way of appealing to a public still shell-shocked by the stock market crash of 1987.

The industry's standard-bearer, the Unit Trust Association (UTA), is spearheading a new marketing drive, with one possible plan being a change to a simpler method of pricing. But while the industry is debating that issue, it is also arguing about a new breed of fund, dealing in futures and options, which many believe could ruin the sector's reputation.

A unit trust is a vehicle for investing which offers access to a diversified portfolio of shares. At the end of last month, funds under the industry's management stood at £57.2bn, the third-highest total ever. Gross sales are running at over £1bn a month, equal to the annual total of sales for 1982.

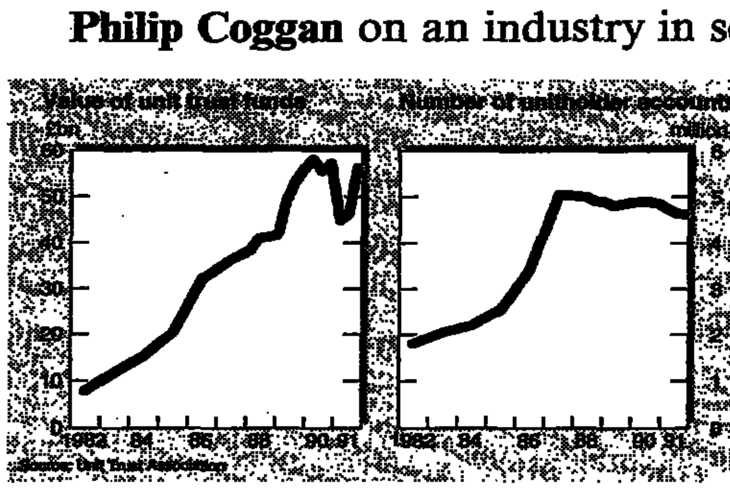
But this apparent success hides a fundamental weakness. There are too many management groups (159) and too many trusts (1,408) chasing too few investors. The number of unitholder accounts, having peaked at over 5m in 1987, has slipped to 4.66m. Allowing for duplication, there are probably fewer than 2m individual investors.

The problem in attracting new investors is that the recent performance of trusts is none too impressive. Somebody who invested £100 in the average unit trust in May 1987 would now have just £117.93. The same money in a high-interest building society account would, after basic rate tax, have become £131.27.

These figures will not impress the British investor who remembers the market crash traumas of Black Monday — October 19 1987. Tim Miller, marketing manager of M&G, one of the leading unit trust groups, recalls that it took investors eight years to recover their confidence after the crash of 1974.

Developments in the charging structure have not encouraged investment. The Thatcher government lifted controls on unit trust charges in the belief that competition would bring down rates. The effect, perversely, has been to double them. In 1979 the maximum that an investor could be charged was 13¼ per cent of a fund over 20 years. With many trusts now imposing an initial charge of 6 per cent and an annual fee of 1 per cent, 20-year charges are now equivalent to 26 per cent.

One way to widen investor appeal is to make the product more user-friendly by simplifying the pricing system. At present, unit trusts quote three prices — the offer, at which investors buy units; the bid, at which they can sell; and the cancellation price, which applies when the fund is shrinking and the manager is forced to sell investments. The difference between the bid and offer prices, about 6 per cent, reflects the manager's initial charge.



Instead of this three-tier pricing system, some managers are proposing a move to a single price. This would be far easier for the investor to understand and would bring the industry in line with European practice.

This suggestion nevertheless has its drawbacks. The investor would still have to pay an initial charge — or "front-end load" in the industry jargon — which would be shown separately from the price paid. This might, by making the charges explicit instead of including them in the price spread, actually deter investors.

Another problem, say the critics, is that single pricing would penalise existing investors to the benefit of new and departing ones. This is because under a single-price system existing unitholders themselves would have to meet the costs of shrinking or expanding the fund when demand and supply do not match. Under the current system, new and departing investors pay those costs through the bid-offer spread.

This may not be an insuperable problem. A Touche Ross study found that this so-called "dilution effect" of single pricing — whereby existing unitholders would see the value of their holdings reduced as the fund shrunk or expanded — would be quite small.

Existing holders, argues Robin Berrill, managing director of Henderson Unit Trust, could be compensated by the introduction of a "rear-end charge", imposed when investors sold units. This would encourage long-term investment.

Such a move is needed if management groups are to break out of the "feast and famine" cycle, which leaves their profits geared to the vicissitudes of the stock market.

When share prices rise, trust assets increase (and so does the management fee) and investors buy units. But in a bear market, the process works in reverse. In the depressed stock markets of 1990, managers, such as Royal London, started to drop out of the market. Another Touche Ross survey last year found that 20 per cent of management companies were making operating losses, although the stock market rally of early 1991 may have given many management groups a reprieve.

One factor that may retard change is the fact that few unit trust operators are under pressure to make profits. According to Tim Miller: "Nearly all unit trust companies are offshoots of something else and are not necessarily being operated as a profit centre." For example, many life insurance companies use in-house trusts for investment and some stockbrokers run trusts as a tax-efficient route for private client funds.

The number of individual trusts has stayed high because of the tendency of British investors to favour new funds. Such trusts are often launched in a sector which has recently been performing well, giving the salesmen a "story" to sell.

An individual trust needs a portfolio of £10m to cover its costs, according to Robin Berrill, but as many as 577 funds currently have less than that under management. Many must be unprofitable.

Some groups, such as Henderson, have rationalised their product ranges and reduced the number of funds, but with new trusts still being launched, overall numbers have continued to edge upwards. Change will come. Robin Berrill expects that in five years' time the industry will have halved in size in terms of both the number of management groups and the amount of funds controlled. And Barry Bateman, chairman of the UTA, says "I think that as the industry matures, it will tend to concentrate."

One current irony is that the industry looks set to be landed with a new range of funds that few really want — dealing in futures and options. These are the idea of the Department of Trade and Industry which sees them as a means of encouraging a flourishing futures and options market in London.

But the UTA and the Securities and Investments Board, the City regulator, have recently clashed over the regulation of these funds. The SIB favours levels of risk which some say could mean that the fund's assets could disappear as a result of only small movements in the underlying market. Critics argue that such an event would ruin the industry's name for a generation.

LETTERS

Why Thursday?

From Mr George Chowdharay-Best.

Sir, Michael Dixon (Recruitment, 15 May) is puzzled as to why in Britain most employers seem to opt for Thursday as the day of the week on which to place their job advertisements.

When I was working for a property company in the early 1960s the rationale of this was explained to me as follows. On Mondays people are recovering from the weekend, on Tuesdays and Wednesdays they are getting stuck into the week's work and on Fridays they are preparing for the coming weekend. It is only on Thursdays that they have time to look at the newspapers properly. None of this applies to people out of work, but then most prospective employers do not want to attract such people anyway.

Whether there is any direct evidence in support of this reasoning or not, it does seem to fit in with the slight tendency shown in the Peat Marwick McLintock survey, which Mr Dixon reports, for replies to be made on Fridays, on the basis that most people like to think things over overnight before making important decisions.

G Chowdharay-Best,
27 Walpole Street, SW3

Supporting co-ordinated wage bargaining

From Mr Richard Layard & Sir Geoffrey Owen

Sir, Once again Britain is using recession as the sole weapon against inflation. The cost is immense — to employees and to business. Reasonable people increasingly ask: "Is there no alternative?" Those countries like Germany which have more co-ordinated systems of wage bargaining clearly incur smaller costs in controlling inflation.

As yet, the CBI leadership does not accept this argument. But it is encouraging that there are senior figures in the business community like Mr James McFarlane (Letters, May 21) and Lord Weir (Letters, May 22) who do see the need for a more co-ordinated system. It would be interesting to know how many other business leaders would now favour a more co-ordinated approach.

Richard Layard &
Geoffrey Owen
The London School of Economics & Political Science
Houghton Street WC2A 2AE

Devastating effect on Antarctica

From Mr G P Hood.

Sir, That the logic of the Greenpeace argument defeats him is hardly surprising, since Mr Robert Davies' argument (Letters, May 16), is based on Antarctica being "so barren" that mining is unlikely to unlikely to upset much wildlife. The Antarctic is a very fragile area where human waste and sewage can stay in "pristine" condition indefinitely and is therefore regularly removed in containers by the more responsible expeditions. One major reason that the area stays stable and cold throughout the summer, when it receives 24-hour sunshine, is that the pure whiteness of the ice reflects the heat. A fall-out of dust from mining operations and their associated pollution could have a devastating effect on the rate of ice melt and therefore sea levels.

G P Hood,
Stanford le Hope,
Essex

Channel tunnel: the potential for a less costly high-speed rail link — and for political irony

From Mr Oliver Jessel.

Sir, In your article on the high-speed Channel rail routes ("BR treads an uneasy line", May 18), you say "that the potential commuter benefits may have to be stressed to the point where they begin to predominate". Certainly, for most of the year the boat trains hurtle through Kent almost empty.

Decisions taken now will affect London's traffic and the lives of our descendants for over 100 years, just as we are bound by the lay-out of 1840.

BR's thinking is based not on consumer research but on a love affair with its 16-acre site at King's Cross, one of London's most hopeless traffic traps. People arriving from the Continent with suitcases might be heading for the hotels, embassies of the Hyde Park area, to legal work, the City, theatres or clubs; they will not be encouraged by a half-hour taxi journey from King's Cross which undoes any time saving.

Equally, how many travellers from Kent, the probable bread and butter of the line, want to go to King's Cross or even Waterloo? To attract business the line must take people where they desire rather than try to create a new Mecca at King's Cross. The whole 1840 concept of the large terminus is something we can no longer afford. It would be better to save the £1bn, raise another large sum by selling the site and apply this money in accordance with the needs of 21st century travellers.

For example, a stop near Swanley, planned with links to the M25 with car rental and other facilities, would enable many to avoid London. The line could then, as you mention, connect with the Thameslink to Blackfriars (and on to King's Cross), as well as Victoria, Charing Cross and Cannon Street. The saving could be spent in by-passing London Bridge, possibly with a viaduct. If funds permit (which seems unlikely) the line could tunnel right under central London with several stops. The possibilities are endless. However, a huge terminus, which has nothing to offer and is an attraction to terrorists and traffic blocks alike, can be economically replaced by a few small ticket shops.

Oliver Jessel,
Merrington Place,
Rolvenden,
Cranbrook, Kent

From Mr David Thompson.

Sir, If the government is so unwise as to support British Rail's preferred route for the Channel tunnel rail link it will risk losing a number of seats along the proposed route.

It would be a delightful irony if Mrs Thatcher's most pro-European decision, the building of the Channel tunnel, were to cost her party the next election.

David Thompson,
High Birches,
21 Wood Ride,
Petts Wood, Kent

Directors, their pay, and the responsibility of shareholders

From Mr Donald B Butcher.

Sir, Your letters columns have recently been filled with many views on corporate governance. Most address the role of non-executive directors and directors' pay. For example, Mr Allen Sykes makes the point (May 3) that "the most serious weakness in British corporate governance is the lack of committed, knowledgeable long-term owners", but no mention is made of private shareholders in his recommended solution. Mr Blenthyn Jenkins (May 16) is against the remuneration of directors being put to the vote of shareholders — but adds that the "exercise of shareholder responsibility" in respect of the right of appointment and dismissal of directors can achieve the objective of influencing remuneration. Finally Mr R T Addis (May 20) tells us to stop "castigating" directors since their pay increases reflect profits previously reported and we shall, by implication, soon see their pay going down.

I have attended six plc annual general meetings recently and I am dispirited by the absence in most of them of intelligent questions, answers and any debate which rises above the banal.

Does the blame for this lie with the directors or the shareholders? Could one useful clue be that the annual meetings held in the Barbican Theatre do seem to absorb some spirit from those who tread, rather than sit, on boards? I wholeheartedly agree with the tenor of the Economist survey of capitalism (May 5 1990) which criticised both institutional and individual shareholders for not behaving like owners.

My discussions with private shareholders attending AGMs confirm that they are more than capable of judging how well their company is doing. Indeed some of them seem to be somewhat better informed about how their company has performed over the longer term than do the directors. Stuffy formalities do not encourage intelligent participation.

Just two changes would transform corporate governance for the better. One should require directors' remuneration to be approved by shareholders at annual meetings and the other, so excellently described in your columns (Management, April 24 1991) by Sir Geoffrey Owen, should require the "re-election of directors on the basis of a detailed account of their stewardship over thepreceding five years and their plans for the next five years".

Donald B Butcher,
12 Burgh Heath Road,
Epsom, Surrey

From Mr G M Simon.

Sir, Mr T R Addis claims (Letters, May 20) that the criticism of the large increases in directors' remuneration is unfair, and says that directors are "bearing responsibility for keeping their companies in business and working in the best interests of the employees and shareholders".

In the same issue you reported that British executives were the leaders within Europe when it comes to spending their companies' money on entertaining and travel — the German executive spends considerably less.

Could it be that these are the same stout-hearted people that Mr Addis is describing, beavering away on behalf of their companies and employees?

Or is it perhaps that the figures for executive spending have been distorted by that nice gentleman who has been awarded a massive pay rise as the chief executive of Prudential Insurance in the same year as the Pru's results have been somewhat less than cheering? Surely even he could not spend that much.

G M Simon,
The Manor,
Haseley Business Centre,
Warwick

From Mr Angus Davenport

Sir, I would suggest to Mr Addis (May 20) that it is not so much public commentators who should get their facts right about directors' pay. Rather, companies themselves should make clear the make-up of each director's remuneration.

Without the relevant information, how can outside commentators get it right?

Angus Davenport,
17 Ingrebourne Gardens,
Upminster,
Essex

Fax service

LETTERS may be faxed on 071-873 5938. They should be clearly typed and not hand-written. Please set fax machine for fine resolution.

SD-Scicon spurns £111m offer by Cray Electronics

By Alan Cane

SD-SCICON, the troubled UK computing services company in which British Aerospace has a 25 per cent stake, yesterday emerged as the target of a bid from Cray Electronics which values it at £111m.

SD-Scicon is one of Britain's largest computer systems companies with sales of more than £256m. But problems with large computing projects, chiefly in the government and defence sectors, forced it into losses of about £20m last year.

Cray, a high technology company, is capitalised at about £80m and has interests in computer software, telecommunications and scientific instrumentation.

Sir Peter Michael, chairman of Cray, said his intention was to build an international company able to achieve growth and resilience in the 1990s with the resources to undertake large contracts for major customers.

A combined Cray and SD-Scicon would have 60 per cent of its sales in the UK and 40 per cent abroad. SD-Scicon, he alleged, was a company with "no management, no strategy and no profits."

After hastily convened discussions with its advisers, Samuel Montagu, SD-Scicon said it would fight to retain its independence. Mr John Jackson, the chairman, said the bid was "opportunistic and ridiculously low". The French operations alone were worth some £80m.

Cray is offering an all-share deal which values each SD-Scicon ordinary at 41.8p, and each convertible preference at 89p. An alternative cash offer of 37.125p per ordinary and 80p per preference has been fully underwritten by Morgan Grenfell and SG Warburg Securities, the brokers to the offer.

Cray said the bid was final and would not be revised except "in the unlikely event of a competing offer".

It said that British Aerospace had agreed irrevocably to accept the offer, unless a competitor emerged. The other principal shareholders are Morgan Grenfell Asset Management with some 15 per cent, Prudential with 6 per cent, and Philips and Drew with 3.5 per cent. Mr Philip Swinstead, founder and chairman of SD-Scicon, and his immediate family are thought to hold some 5 per cent.

The bid caused little stir in the City or in the UK computer industry, where the future of SD-Scicon has been the subject of speculation for some months. But there was surprise that Cray should be the bidder.

Cray achieved notoriety in 1989 when it was forced to change its accounting policies, showing that the previous two years' profits had been heavily overstated.

The ensuing rumpus revealed the parlous state of the company's finances with debt up £10m to £40m in six months, a heavily overweight bureaucracy and a lack of investment at the group's raft of subsidiaries.

At that point, Sir Peter and his team were called in to bring the company back to financial health. Last year it made profits of about £3.2m before tax.

See Lex

Polly Peck creditors support administrators' plans

By David Barchard

CREDITORS OF Polly Peck International, the collapsed fruit and electronics group, yesterday approved plans for the reconstruction of its core businesses, with virtually no opposition to the administrators emerging.

Mr Michael Jordan of Coopers & Lybrand Deloitte told more than a thousand creditors who attended the meeting, that substantial parts of the group, including PPI Del Monte, Sansui Group, the Japanese audio group bought by Polly Peck in 1989, and Vestel, its Turkish consumer electronics subsidiary, should be retained as going concerns. They would then be available for sale to suitable partners or through stock market flotations at a later date.

The meeting was the first opportunity for creditors to discuss the group's future since it was placed in administration last October. The creditors include Polly Peck's 25,000 shareholders who are owed an unpaid interim dividend.

Creditors were told that an immediate liquidation of the group would be likely to yield only 20 per cent of the £1.1bn debts, while the administrators' plan should make it possible for them to be paid over half of what they are owed, with the remainder probably being converted into equity.

Though the administrators sounded confident about the prospects for Polly Peck's main subsidiaries in the US, Japan, and Turkey, they made it clear that they would need nursing for some time and were not suitable for an immediate sale.

Sansui lost £30m last year on sales of £243m, and its cash position was weakened by the transfer of $30m to Polly Peck's headquarters in London. It was described by Mr Jordanas having great turnround potential. PPI Del Monte could not be sold at present for a price which reflected its potential, and Vestel would need a minority partner to help expand its product range and enter the European market.

These problems paled into insignificance, however, alongside those of the fruit and packaging operations in Turkey and Cyprus, the activities in which it made its name in the early 1980s. The administrators had still not had full access to the accounts of Meyna, the Turkish foods company, while their access to the records of Polly Peck in north Cyprus was still blocked by court action after nearly seven months. It was thus hard to form a detailed view.

Mr Richard Stone said that Meyna, reconstructed, might earn between £10m and £15m. "It was a far cry from past reported profitability".

The administrators hope that these operations, with several loss-making hotels in Turkey and Cyprus, can be hived off into a new division for eventual sale to local buyers.

Trevor Humphries

The administrators: Richard Stone, left, Michael Jordan and Christopher Morris

W'hampton Dudley rises 14%

By Philip Rawstorne

WOLVERHAMPTON & Dudley Breweries, the Midlands regional brewer, increased interim pre-tax profits by 14 per cent, from £13.8m to £15.76m, despite a drop in beer volumes.

Lower brewing costs, increased sales of premium lagers and ales, and a sharp rise in pub food profits led the growth, said Mr David Thompson, managing director.

Volume beer sales were down 1.6 per cent but the group's main brands – Banks's, Kronenbourg and Grolsch – gained share as volumes in the overall local market fell around 4 per cent.

Earnings per share rose 25.5 per cent to 17.2p (13.7p) and the interim dividend is lifted 11 per cent to 4.1p (3.7p).

Trading profits increased 14 per cent to £17.88m (£15.7m) on turnover 11 per cent higher at £91.48m (£82.13m) during the six months ended March 31.

All the main beer brands were supported by television advertising – "excellent value at the moment," said Mr Thompson. Sales of draught Grolsch, introduced last October, had been good and distribution of Banks's ales had been extended more widely than expected through the "guest beer" trade in other brewers' pubs.

"For the rest of the year, we expect volume trends to improve slightly, and our market position to strengthen across all sectors," Mr Thompson said.

The group's managed pubs – more than half its 850 total – had traded strongly and pub restaurants defied national trends with 8.5 per cent more meals sold and profits 47 per cent higher; but small tenancies had been "really hammered" by the recession.

Though activity had ebbed sharply over the past three months, the company's 10 hotels had performed well with occupancy only 8 per cent down.

The company expected to increase borrowings by £16m over the full year as it invests in free trade loans and new pub sites. Borrowings at the end of March amounted to £36.7m.

With 18 greenfield sites and pubs already acquired for development, Mr Thompson said there was considerable scope for growth in the regional market.

Jarvis Porter acquires Scottish printer for £6m

By Michiyo Nakamoto

JARVIS PORTER, the specialist label printer, is acquiring Holmes McDougall, a Scottish printer of high quality labels, for £6.16m in cash.

The group announced the acquisition as it reported an 8.9 per cent rise in pre-tax profits for the year to February 28 to £2.3m (£2.1m).

The purchase of Holmes, to be funded by a rights offer of one new ordinary share for every 2.712977 shares held at 100p per share, is the first step in a new strategy for the group of growth through acquisitions, it said.

It is also the first acquisition since Mr Richard Brewster, chief executive, joined the company from David S Smith, the paper and packaging group. Mr Brewster was the driving force behind the growth of that company from a market capitalisation of £2.5m to £220m, achieved mainly through acquisitions.

Holmes' operating profits were £532,000 on turnover of £4.36m in the year to September. It will bring additional net tangible assets of no less than £3.99m, including £2.49m cash.

The rights offer enables shareholders to buy the shares at a greater discount than a vendor's placing with a clawback agreement would have, while giving them the option to sell their rights on the market. The price is at a 20 per cent discount to Thursday's close. The shares finished yesterday 6p higher at 133p.

Turnover last year fell to £27.87m (£28.19m), entirely due to the sale in June of its flexible packaging division which provided £3.7m in sales in 1989.

Earnings rose to 9.3p (9p) and final dividend is 2.8p, for an unchanged 4.2p total.

Water contracts boost Donelon

By Clare Pearson

A FLOW of tunnelling contracts from water companies embarking on their capital expenditure programmes helped Donelon Tyson, the Liverpool-based construction group, push pre-tax profits ahead by 50 per cent to £3.03m in 1990.

The advance, from £2.02m, was scored on a similar increase in turnover to £94.79m (£65.13m). Earnings per share rose to 4.01p (3.45p). A yearly dividend of 1p (0.75p) is being paid.

Most of the profits advance came from the tunnelling side while the contracting, joinery and shop fitting businesses of Tysons, which merged with Donelon in 1989, experienced a profits recovery.

A high point of the year for Tysons was that, with the help of a grant from the Merseyside Development Corporation, it promoted a £5m office development at Birkenhead. The development has now been sold subject to contract.

Tunnelling contracts amounted to £25m during the year, and the company said it was beginning £35m of new projects for the water companies.

The pre-tax line was struck after a £260,000 (£400,000) charge for amounts irrecoverable on contracts following the fall into receivership of a listed construction company.

Net interest payable rose to £1.76m (£709,000).

Director quits Beazer

By Andrew Taylor, Construction Correspondent

MR JOHN MATTHEWS, deputy chairman and deputy chief executive of Beazer, is leaving the heavily-borrowed construction and building materials group by mutual consent.

Last month Beazer announced plans to raise up to £250m by selling shares in its UK and European businesses which would become a separately managed company.

It said yesterday that one of Mr Matthews' main board responsibilities had been to oversee the European operations. It was felt that, as this would now be a separate company, it would be more appropriate to appoint an independent chairman.

Mr Brian Beazer the group's chairman and chief executive said: "After the flotation the remaining business will inevitably be smaller and there will no longer be a requirement for a deputy chief executive."

Mr Matthews, previously a senior director of County Natwest merchant bank, was appointed to his positions with Beazer in December 1988.

As a director of County Natwest he helped organise the purchase by Beazer of Koppers, the US aggregates group, in 1988 for $1.7bn.

The cash from flotation of the European businesses is to be used to reduce debt.

Details of the share issue are expected to be published at the beginning of July.

Following the flotation Mr Beazer would continue to run the US businesses while Mr Terry Upsall, currently chief executive of the European division, would take over the day-to-day running of the new company.

The group said that an independent chairman for Beazer Europe had been identified although it was not in a position to announce the name.

Deputy head leaves Guinness Mahon arm

Mr Ken-ichi Ozawa, the Bank of Yokohama's senior representative on the board of Guinness Mahon, its 65 per cent-owned UK merchant banking arm, is returning to Japan because of ill health.

His position as deputy chairman of Guinness Mahon Holdings will be taken by Mr Shintaro Asai, the general manager of the Bank of Yokohama's London branch.

Shandwick reshuffle as chief resigns

Shandwick, the public-relations group, has announced that Mr Charles Jones is resigning as group managing director for "health reasons" after ten months in the post. He was formerly head of Shandwick's North American operations, and will remain as a non-executive director.

Mr Dermot McNulty, director of international marketing, is appointed chief operating officer to take responsibility for day-to-day operations. Mr Antony Stoddard, deputy chairman, will return to the post of group chief executive.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Cambridge Water ....fin	20	July 26	-	92★	-
Castings ....fin	2.52	Aug 10	2.4*	3.72	3.5*
Central TV ....fin	21	July 8	21	28.5	28.5
Donelon Tyson ....fin	1☆	Aug 27	0.75	1	0.75
Fulcrum Inv ....int	3.3	June 28	3	-	8.6
Jarvis Porter ....fin	2.8	July 31	2.8	4.2	4.2
Kelsey Inds ....int	8	July 12	8	-	28
Linton Park ....fin	10.5	July 23	9.5	13	12
Mezzanine Cap'l ....fin	7.5	July 10	7.5	14.5	14.5
Perpetual ....int	0.8	July 1	0.8	-	2.5
Suffolk Water ....fin	16.25	June 28	-	37.95★	-
Thornton (GW) ....int	2.25	July 4	2	-	4.75‡
W'hampton Dudley....int	4.1	July 5	3.7	-	9.3

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ‡Also special payment of 33.75p. ☆Scrip option. ★For 15 months.

Trebled Exchequer levy cuts Central TV by £8m

By Jane Fuller

CENTRAL Independent Television, the only one of ITV's "big five" that does not face a rival bid for its franchise, suffered a 29 per cent drop in pre-tax profit last year after a trebling of the Exchequer levy.

Taxable profit fell to £19.18m compared with £27.02m. The group also took below-the-line costs of £18.3m to cover studio closures, including nearly 500 redundancies. Turnover slipped to £315.18m (£320.09m) as advertising revenue stagnated and other income fell to £82.27m (£86.79m), mainly because of reduced overseas programme sales.

Mr Leslie Hill, chairman and chief executive, said profit before the Exchequer levy and Channel 4 subscription had risen to £77.29m (£75.22m), reflecting the benefits of cost cuts. Staff numbers, for example, had come down from just over 2,000 to 1,500 before the studio closures.

While the Channel 4 rise was less than 8 per cent to £40.69m, the Exchequer levy shot up to £17.62m from £5.6m, which was well down on the previous figure of £14.8m.

Mr Hill complained about the switch in the levy's emphasis from profit to revenue and said ITV groups were lobbying the government to try to obtain a reduction in the burden.

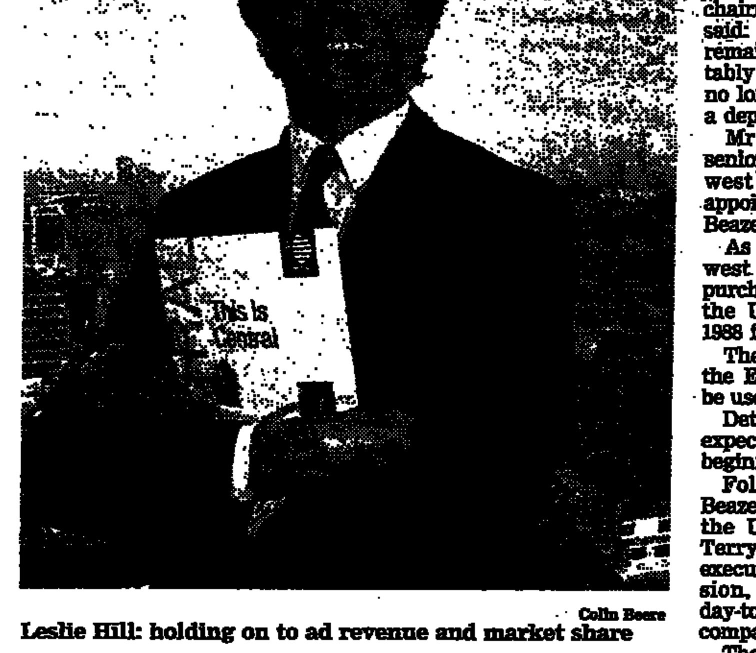
Central had maintained its share of national television advertising revenue at 14.4 per cent. In the first four months of this year, income had fallen by nearly 7 per cent, in line with the whole network. "We expect the decline to continue for the next two to three months."

The extraordinary costs were incurred in the closure of the Central Television Facilities business, which made programmes for external clients including Sky and BSB when they were separate companies.

"Central has always had far more studio capacity than any other ITV company." In a market that was over provided for, it had not been possible to make the facilities business profitable.

Mr Hill said the substantial savings made through the studio closures, which brought staffing down to 1,000, had been one of the factors dissuading potential rivals from putting in a bid.

Earnings per share fell to 44.2p (64.2p). A final dividend of 21p makes an unchanged total of 28.5p.



Colin Beere

Leslie Hill: holding on to ad revenue and market share

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc Date	1991 High	1991 Low	Stock	Closing Price	+ or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
100	F.P.	-	101	100	Aberforth Split Lev Cp	101		-	-	-	-
100	F.P.	-	108	100	Do. Income 10p	106		M9.0	-	11.3	-
-	F.P.	-	207	200	Do. Units 10p	207		-	-	-	-
♦	F.P.	-	186	185	Brockhampton 10p	185		-	-	-	-
♦	F.P.	-	33	33	Do. A Warrants 10p	33		-	-	-	-
♦	F.P.	-	140	140	Do. Non/Vtg. A 10p	140		-	-	-	-
100	F.P.	-	109	104	Contra-Cyclical Inc 1p	107		-	-	-	-
50	F.P.	-	56¼	54¾	Do. Zero Div. Prf. 50p	55½		-	-	-	-
25	F.P.	-	27	22½	Do. Capital	26½		-	-	-	-
100	F.P.	-	103	100	Drayton Blue Chip Tst.	102		-	-	-	-
100	F.P.	-	109½	105	Do. Zero Prf. £1	109½	+½	-	-	-	-
65	F.P.	-	66	65	EFM Income Tst.	66		-	-	-	-
35	F.P.	-	38¾	37	Do. Zero Div. Prf.	38¾		-	-	-	-
†	F.P.	-	41	33	Globe Petroleum	40		-	-	-	-
Ir230	F.P.	-	245	217	Greencore Ir£1	220		u06%	5.9	1.8	9.3
§100	F.P.	-	123	116	Headline Book Publ'g. 10p	123		12.5	2.8	2.7	17.7
-	F.P.	-	9	6	MMI Warrants	9		-	-	-	-
†	F.P.	-	766	691	Manpower Inc. 1c	766	+18	-	-	-	-
125	F.P.	-	127	113	Mirror Grp. Newspapers	118½	-½	R6.55	1.7	7.4	10.6

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc Date	1991 High	1991 Low	Stock	Closing Price £	+ or -
♦	F.P.	-	107p	107p	Brockhampton N/V 9½pc Rd Prf 1996 £1 ...	107p	
100	F.P.	-	100	99½	EE Finance 8¾pc Gtd. Exch. Bds. 2006	99½	
100	F.P.	-	103¾	99¼	Hanson 9½pc Cv. Bd.	100¼	+¼
100	F.P.	-	103¼	98¾	RMC Capital 8¾pc Cnv. Bds. 2006	99½	-1½
§100p	Nil	-	8½pm	4pm	Slough Ests 8¼p (Net) Cnv. Rd. Prf.	8pm	
100	F.P.	-	103½	99	Tarmac 9½pc Cnv. Cap. Bds. 2006	101½	-¼

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc Date	1991 High	1991 Low	Stock	Closing Price p	+ or -
97	Nil	-	6pm	1¼pm	‡Allied Leisure 5p	1¼pm	-¼
250	Nil	-	42pm	37pm	Argyll Group	37pm	
112	Nil	-	13pm	8pm	BBA Group	8pm	-3
87	Nil	-	25pm	16½pm	Bank of Scotland	17pm	
132	Nil	-	16½pm	12pm	Bibby (J) 50p	12pm	-½
8	Nil	-	3pm	¼pm	‡Blogplan Hldgs. 1p	¼pm	-¼
90	Nil	-	7pm	1½pm	Cannon Street Invs. 20p	1½pm	-2½
55	Nil	-	3pm	3pm	Cussins Property 20p	3pm	
44	Nil	-	2¼pm	1¼pm	Guinness Mahon 10p	1¼pm	
33	Nil	-	7pm	¾pm	Kwick 10p	2¼pm	-¼
130	Nil	-	43pm	28pm	Lloyds Chemists 5p	28pm	+1
130	Nil	-	2½pm	¼pm	Lovell (Y.J.)	2½pm	+½
225	Nil	-	41pm	21pm	McAlpine (Alfred)	35pm	
6	Nil	-	2½pm	1pm	Porth Group 5p	1pm	-1
75	Nil	-	15pm	5pm	Presac 5p	6pm	
127	Nil	-	20pm	14pm	Scapa Group	14pm	-1
72	Nil	-	10pm	8pm	‡Synapse Cmptrs. Servs 5p	8pm	
27	Nil	-	2pm	2pm	TR High Inc. Sub. 1p	2pm	
100	Nil	-	2½pm	2pm	TR High Income	2pm	-½
200	Nil	-	40pm	28pm	Taylor Woodrow	29pm	-6

z Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast or estimated annualised dividend rate, cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1990-91. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. $ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. ♦ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

- First Dealings May 28
- Last Dealings June 7
- Last Declarations Aug 29
- For settlement Sept 9

For rate indications see end of London Share Service

Calls in; Blacks Leisure, Control Sec., Dewhirst, Premier Cons., Rosehaugh, TV-am, Puts in; Barratt Dev., Betterware, Burndene, Egerton Trust, Sturge. Puts and Calls: More O'Ferrall, Premier Cons., Speyhawk.

NEWS DIGEST

Linton Park advances 8% to top £8m

PRE-TAX PROFITS of Linton Park, the tea planter, food processor and engineer, rose 8 per cent in 1990, from £7.47m to £8.07m. With earnings per share at 25.1p (22.9p), the final dividend is up to 10.5p for a total of 13p (12p).

Turnover fell from £158.16m to £128.42m, mostly attributable to the merging of the fish processing interests of Associated Fisheries in 1990 with a new associated partnership. Group share of associated turnover was £23.5m which was not consolidated.

Trading profit rose to £8.75m (£6.84m) but investment and other income fell to £1.87m (£2.93m). Interest charges were £3.34m (£2.94m).

There was an extraordinary £2.03m mainly arising from a surplus on the sale of the Angolan branch.

Alpine Group

Alpine Group, the mineral water and soft drinks combine, made inroads into its losses in 1990, cutting them from £2.9m to £66,000.

Turnover came to £7.39m (£10.35m) and the gross profit to £3m (£4.89m). There was an exceptional credit of £123,000, against a provision of £1.91m.

After a tax credit earnings per share were 0.09p (losses 14.36p).

Fleming High

In the year ended April 30 1991 Fleming High Income Investment Trust saw earnings per share drop from 6.24p to 5.78p, but is raising the dividend.

The fourth quarterly payment is 1.45p to make the total 5.75p, against 5.25p.

Gross income came to £2.39m (£2.44m) and pre-tax revenue to £2.06m (£2.11m).

Over the year net asset value rose from 84.8p to 91.4p.

Warner Estate

Warner Estate Holdings, a property investor and specialised marble and tiling contractor, lifted pre-tax profits by 5 per cent from £3.74m to £3.93m for the half year to March 31.

An interim dividend of 3.25p (3p) is paid from earnings per share of 5.41p (4.97p).

Turnover was divided as to property investment £4.14m (£3.84m), property trading £147,000 (nil) and contracting £889,000 (£972,000).

Windsor

Windsor, the insurance broking and financial services group, fell from profits of £120,000 to a loss of £373,000 in the half year to March 31.

That included certain reorganisation and rationalisation costs; and after extraordinary provisions of £1.28m, the attributable loss jumped to £1.66m (profit £47,000).

A new management team under Mr Stanley Cohen was installed at the beginning of this month. Mr Cohen said Windsor needed to clear the decks for future growth.

Extraordinary items included £1m against property investment valuation, a loss on a North American joint venture, and the settlement of a reinsurance dispute.

Radio City

RADIO CITY (Sound of Merseyside), the USM-quoted company which two weeks ago agreed a £10.6m offer from EMAP, reported a pre-tax loss of £206,000 for the six months to March 31, compared with a profit of £458,000.

Turnover fell 24 per cent to £1.42m (£1.87m) and the trading loss was £97,000. The figures included a £90,000 bill for redundancies.

National advertising revenue fell 43 per cent, while local declined 6 per cent. Broadcast Marketing Services, in which Radio City has a 50 per cent stake, only contributed £3,000 (£91,000).

Geevor

Geevor, the troubled mining group, yesterday said that failure to gain support from alternative bankers, following the breakdown of merger negotiations with the European Mining Finance, had left the group in a state of "some uncertainty as to its future prospects".

The group, which has been struggling to survive since the Canadian Imperial Bank of Commerce called in a £2.1m loan in January, is in discussions involving potential acquisitions or mergers, it said.

Lionheart

Lionheart, the industrial holding group with interests in home improvements, DIY, housewares and retail systems, has paid £5.75m for Sloane Group, a private designer and manufacturer of retail display systems.

Sloane employs 240 people at Wellingborough, Northamptonshire. Last year it made pre-tax profits of £790,000 on turnover of £11.1m; net assets were £2m.

The purchase is being funded by the issue of 38.2m shares at 17p each. They have been placed with institutions, subject to a clawback by existing shareholders on the basis of 35.64 new shares for every 100 held.

Unichem

UniChem, the pharmaceuticals wholesaler, is joining a European consortium which is taking control at PAG Pharmaceuticals, a holding company for 30 per cent of the shares in Anzag, Germany's largest pharmaceuticals wholesaler.

The company's partners are OPG and Egwa-Wiveda, respectively the largest wholesalers in the Netherlands and Germany.

NMW Computers

NMW COMPUTERS, has paid £620,000 for the privately-held Charterhouse Group, a computing services company.

NMW made pre-tax profits of £410,000 on sales of £8.7m in 1990 as it continued its recovery from the effects of the decline in share transaction volumes.

Moorgate Smaller

Moorgate Smaller Companies Investment Trust has raised £51.9m through its flotation, having originally aimed for between £15m and £30m.

In total, applications were received for 48.53m ordinary shares and will be allotted in full. Applications for warrants, at 35p each, totalled 10.46m and will have to be scaled down.

Those who applied for 4,000 warrants or fewer will receive a full allocation; applications for between 4,001 and 8,000 warrants will receive 4,000; between 8,001 and 10,000 get 50 per cent; between 10,001 and 12,500 – 5,000; between 12,501 and 25,000 – 40 per cent; between 25,001 and 30,000 – 10,000; and those who applied for over 30,000 warrants receive 32.8 per cent of their application.

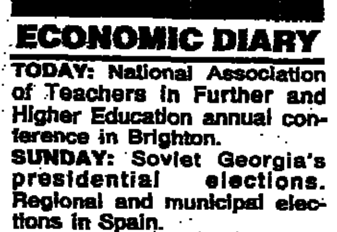
Dealings are expected to start on May 29.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 25.05.91: Pool purchase price £/MWh	Final Prices for Trading on 27.04.91: Pool purchase price £/MWh	Pool selling price £/MWh
0030	18.18	18.08	18.08
0100	18.37	18.05	18.05
0130	18.37	18.08	18.08
0200	18.41	18.26	18.26
0230	18.41	18.02	19.24
0300	18.37	18.02	19.24
0330	18.37	18.18	18.18
0400	18.37	18.16	18.18
0430	18.30	18.10	18.10
0500	18.30	18.70	18.10
0530	18.28	18.19	18.18
0600	18.28	18.15	18.16
0630	18.22	18.16	18.18
0700	18.27	18.18	18.18
0730	18.38	18.28	18.28
0800	19.36	18.40	19.83
0830	19.19	21.23	22.54
0900	20.32	27.86	29.38
0930	22.32	27.88	29.38
1000	22.32	27.86	29.37
1030	22.32	21.23	22.54
1100	22.32	20.70	22.00
1130	20.32	20.70	22.00
1200	20.32	20.25	21.54
1230	19.72	20.25	21.54
1300	19.62	18.40	19.83
1330	19.38	18.29	19.62
1400	18.74	18.29	19.50
1430	18.53	18.13	19.38
1500	18.53	18.18	18.18
1530	18.53	18.16	18.18
1600	18.53	18.18	18.18
1630	18.53	18.18	18.18
1700	18.53	18.13	19.38
1730	18.53	18.29	19.62
1800	18.53	18.29	19.62
1830	18.53	18.29	19.53
1900	18.53	18.13	19.38
1930	18.53	18.13	19.38
2000	18.53	18.13	19.36
2030	18.38	18.13	19.38
2100	18.28	18.29	19.62
2130	18.41	18.29	19.52
2200	18.53	25.45	26.89
2230	18.58	25.45	26.80
2300	18.53	18.29	19.53
2330	18.58	18.16	18.16
2400	18.53	18.10	18.10

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.80/MWh becomes 1.880p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited



ECONOMIC DIARY

TODAY: National Association of Teachers in Further and Higher Education annual conference in Brighton.

SUNDAY: Soviet Georgia's presidential elections. Regional and municipal elections in Spain.

MONDAY: OAU council of ministers meet in Abuja (until June 1). US-sponsored Ethiopian peace talks due to start in London. International Whaling Commission annual meeting in Reykjavik.

TUESDAY: Engineering sales and orders at current and constant prices (March). Nato defence ministers meet in Brussels (until May 29). Financial Times holds two-day transport conference at the Hotel Inter-Continental in London.

WEDNESDAY: US Commerce Department announces first revision of figures for gross national product in the first quarter, merchandise trade in the first quarter and balance of payments. The economic/social council of the European Community in plenary session in Brussels. Post Office counter staff are expected to strike.

THURSDAY: Department of Energy publishes figures for energy trends in March. Department of Transport issues statistics for new vehicle registrations during April. US Commerce Department gives figures for personal income during April; and single-family home sales (April). Scottish Power companies share price to be announced. Trial due to start in Milan of financier Mr Carlo de Benedetti charged with fraudulent bankruptcy in connection with 1982 crash of Banco Ambrosiano, Italy's biggest bank failure. European Community/Association of South East Asian Nations ministerial meeting in Luxembourg (until May 31). Conference on "European monetary union in a turbulent world economy" at the Grosvenor House Hotel, London: speakers include Mr Norman Lamont and Mr Carl Otto Pöhl.

FRIDAY: Bank of England publishes the following statistics: London sterling certificates of deposit in April; monetary statistics (including bank and building society balance sheets) (April); bill turnover statistics (April) and sterling commercial paper (April).

FT-ACTUARIES SHARE INDICES

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Friday May 24 1991 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%))	Est. P/E Ratio (Net)	xd adj. 1991 to date	Thu May 23 Index No.	Wed May 22 Index No.	Tue May 21 Index No.	Year ago (approx) Index No.	1991 High	1991 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (186)	818.93	-0.9	11.38	5.94	10.78	15.76	826.64	823.71	828.40	868.40	890.04 15/3	675.31 16/1	1038.07 16/7/87	50.71 13/12/74
2	Building Materials (24)	1057.67	-1.6	10.93	5.86	11.25	22.01	1074.76	1067.77	1081.37	1083.19	1167.75 14/3	911.64 16/1	1381.08 16/7/87	44.27 11/12/74
3	Contracting, Construction (31)	1288.75	-1.3	9.26	6.26	14.15	30.61	1305.86	1303.09	1319.30	1348.98	1438.66 15/3	1051.83 23/1	1951.50 16/7/87	71.48 2/12/74
4	Electricals (10)	2349.63	-0.3	11.19	5.70	11.38	61.85	2355.93	2349.67	2356.25	2499.80	2495.28 3/4	1837.98 22/1	3040.80 8/9/89	84.71 25/6/62
5	Electronics (25)	1742.80	-1.1	8.99	5.15	14.82	7.81	1761.96	1763.65	1768.13	1833.33	1958.19 15/3	1478.08 16/1	2308.22 19/5/89	1229.01 8/10/85
6	Engineering-Aerospace (8)	422.83	-1.1	16.51	5.92	7.29	10.60	427.54	426.01	427.82	467.59	469.23 9/4	380.48 16/1	502.42 13/6/90	380.48 16/1/91
7	Engineering-General (47)	437.27	-0.3	12.80	6.01	9.44	8.43	438.50	436.88	437.07	478.85	468.00 5/4	339.57 23/1	505.10 15/6/90	339.57 23/1/91
8	Metals and Metal Forming (8)	443.38	-0.5	20.16	7.78	6.12	2.31	445.76	444.58	446.34	487.45	509.18 3/4	381.44 16/1	596.67 9/10/87	49.65 6/1/75
9	Motors (13)	323.03	-1.0	12.51	7.52	9.44	9.89	326.19	324.82	325.42	352.57	360.54 14/3	266.43 16/1	411.42 13/10/87	19.91 6/1/75
10	Other Industrial Materials (20)	1473.96	-0.7	9.59	5.52	12.28	31.84	1483.65	1477.49	1482.95	1573.55	1589.92 4/4	1147.76 16/1	1881.53 18/8/89	277.55 15/1/81
21	CONSUMER GROUP (188)	1452.72	-0.1	8.21	3.73	15.02	18.58	1454.63	1444.93	1449.34	1250.67	1486.05 7/5	1188.45 16/1	1486.05 7/5/91	61.41 13/12/74
22	Brewers and Distillers (22)	1801.83	-0.2	8.44	3.68	14.58	21.60	1805.29	1792.67	1806.31	1488.30	1843.03 7/5	1478.24 25/1	1843.03 7/5/91	69.47 13/12/74
25	Food Manufacturing (20)	1151.14	-0.7	9.99	4.27	12.35	18.39	1158.72	1158.68	1162.27	1061.94	1210.94 5/4	1013.60 16/1	1220.42 4/9/89	59.67 11/12/74
26	Food Retailing (16)	2727.66	-0.8	8.00	3.07	16.33	30.32	2750.42	2742.16	2763.53	2421.47	2854.91 2/5	2259.53 2/1	2854.91 2/5/91	54.25 11/12/74
27	Health and Household (21)	3351.90	+1.0	5.73	2.56	19.95	29.05	3319.30	3279.21	3259.81	2515.16	3363.94 7/5	2454.93 16/1	3363.94 7/5/91	175.38 28/5/80
29	Hotels and Leisure (23)	1293.78	-0.4	10.49	5.29	11.24	23.57	1298.60	1295.14	1311.27	1409.43	1399.64 14/3	1066.91 25/1	1845.77 8/9/89	54.83 9/1/75
30	Media (26)	1451.89	-0.3	9.43	4.80	13.52	22.11	1456.10	1440.82	1443.33	0.00	1521.09 17/4	1166.91 16/1	1521.09 17/4/91	1166.91 16/1/91
31	Packaging, Paper & Printing (17)	670.27	+0.2	8.08	4.90	15.50	11.81	669.07	667.93	668.26	585.62	692.57 9/5	486.96 16/1	739.48 16/7/87	43.46 6/1/75
34	Stores (33)	897.49	-0.8	8.86	4.07	14.76	12.50	904.73	898.11	902.90	783.35	934.99 15/4	766.89 29/1	1160.58 29/7/87	52.63 6/1/75
35	Textiles (10)	530.06	-0.4	10.46	5.90	11.81	9.55	532.40	533.65	534.96	492.35	563.46 3/4	396.58 28/1	914.52 2/10/87	62.66 11/12/74
40	OTHER GROUPS (107)	1223.79	-0.7	10.01	5.15	12.28	11.16	1232.98	1221.61	1228.91	1141.24	1241.67 9/5	961.05 16/1	1241.67 9/5/91	58.63 6/1/75
41	Business Services (12)	1223.20	-0.5	10.84	5.33	11.33	13.23	1229.11	1224.99	1231.97	0.00	1235.24 9/5	892.28 1/2	1235.24 9/5/91	892.28 1/2/91
42	Chemicals (21)	1341.20	-0.9	8.51	5.36	13.33	28.71	1353.85	1337.81	1340.73	1239.90	1373.52 16/5	1004.01 16/1	1545.46 5/10/87	71.20 1/12/74
43	Conglomerates (10)	1457.52	-0.2	10.45	7.12	11.54	17.49	1460.64	1457.93	1486.39	1600.54	1626.42 14/3	1217.37 16/1	1819.46 11/8/89	975.19 10/11/87
44	Transport (13)	2198.80	-0.1	11.19	4.73	11.03	26.91	2201.87	2199.20	2218.56	2222.34	2250.74 9/5	1730.87 23/1	2554.69 12/7/89	90.80 29/6/62
45	Electricity (14)	1233.51	-0.5	11.24	5.41	11.15	0.00	1239.71	1236.43	1248.74	0.00	1248.74 21/5	994.96 7/1	1248.74 21/5/91	994.96 7/1/91
46	Telephone Networks (4)	1471.43	-1.2	10.37	4.08	12.58	0.00	1489.71	1458.55	1459.90	1149.22	1489.71 23/5	1085.95 16/1	1489.71 23/5/91	517.92 30/11/84
47	Water (10)	2453.77	-0.7	13.94	5.59	8.02	39.69	2471.80	2455.46	2464.13	1909.83	2536.12 15/4	2134.83 16/1	2536.12 15/4/91	1820.20 1/5/90
48	Miscellaneous (23)	1865.79	-0.8	6.34	5.00	20.20	22.21	1880.06	1874.05	1884.75	1741.81	1946.79 5/4	1506.17 16/1	2087.06 11/7/89	60.39 6/7/75
49	INDUSTRIAL GROUP (481)	1226.44	-0.5	9.41	4.63	13.07	15.77	1232.47	1223.99	1229.53	1134.44	1259.44 5/4	991.97 16/1	1273.71 5/9/89	59.01 13/12/74
51	Oil & Gas (19)	2321.55	-0.8	10.85	5.74	12.01	50.59	2339.57	2345.00	2368.22	2259.65	2480.35 17/4	2101.45 21/1	2528.70 3/8/90	87.23 29/5/62
59	500 SHARE INDEX (500)	1320.20	-0.5	9.60	4.77	12.93	18.51	1327.16	1319.59	1326.46	1228.69	1357.90 17/4	1092.04 16/1	1369.88 16/7/87	63.49 13/12/74
61	FINANCIAL GROUP (97)	793.11	-0.3	-	6.00	-	18.07	795.65	790.90	799.97	775.18	899.94 15/3	667.36 16/1	896.67 13/10/87	55.88 13/12/74
62	Banks (9)	892.62	.....	7.73	6.20	18.76	22.63	892.84	880.42	887.57	814.54	950.35 14/3	695.08 15/1	950.35 14/3/91	62.44 12/12/74
65	Insurance (Life) (7)	1445.55	.....	-	5.73	-	41.64	1445.75	1443.81	1464.20	1351.29	1612.93 15/3	1220.74 16/1	1612.93 15/3/91	44.88 2/1/75
66	Insurance (Composite) (6)	660.01	-0.9	-	6.65	-	20.23	666.25	663.10	675.53	654.44	728.27 15/3	572.52 16/1	768.11 29/12/89	43.96 13/12/74
67	Insurance (Brokers) (8)	1063.44	-0.6	7.42	6.32	17.55	21.24	1070.01	1075.54	1091.44	1065.06	1202.38 5/4	932.88 23/1	1399.56 17/7/87	65.86 16/12/74
68	Merchant Banks (7)	422.05	-0.1	-	4.80	-	4.47	422.39	422.58	423.91	440.86	448.97 15/3	327.70 16/1	547.59 12/10/87	31.21 7/1/75
69	Property (40)	960.50	-0.6	6.64	5.04	20.55	7.90	966.29	969.06	983.47	1071.95	1087.65 15/3	926.54 16/1	1398.87 5/9/89	56.01 20/4/65
70	Other Financial (20)	282.96	-0.4	9.28	6.41	13.39	4.75	284.23	284.64	284.52	307.91	298.63 15/3	236.37 16/1	603.48 16/7/87	33.29 17/12/74
71	Investment Trusts (70)	1204.41	-0.6	-	3.48	-	15.60	1212.17	1211.21	1211.29	1191.21	1224.06 10/5	947.19 16/1	1323.81 4/1/90	71.12 13/12/74
99	ALL-SHARE INDEX (667)	1192.72	-0.5	-	4.90	-	18.11	1198.71	1191.99	1199.03	1120.03	1232.32 5/4	987.46 16/1	1238.57 16/7/87	61.92 13/12/74
		Index No.	Day's Change	Day's High (a)	Day's Low (b)	May 23	May 22	May 21	May 20	May 17	Year ago				
	FT-SE 100 SHARE INDEX‡	2471.1	-11.7	2482.0	2460.1	2482.8	2465.9	2482.7	2466.6	2453.9	2265.6	2545.3 5/4	1990.2 28/9	2545.3 5/4/91	986.9 23/7/84

FIXED INTEREST

	PRICE INDICES	Fri May 24	Day's change %	Thu May 23	Accrued interest	xd adj. 1991 to date
	British Government					
1	Up to 5 years (28)	121.61	+0.07	121.53	2.29	4.29
2	5-15 years (29)	130.54	-0.20	130.80	2.62	5.15
3	Over 15 years (8)	136.50	-0.53	137.23	2.20	5.02
4	Irredeemables (6)	149.53	-0.26	149.92	1.06	6.11
5	All stocks (70)	129.89	-0.14	130.07	2.49	4.92
	Index-Linked					
6	Up to 5 years (1)	159.36	+0.16	159.11	0.11	2.72
7	Over 5 years (10)	147.25	+0.01	147.24	1.00	1.52
8	All stocks (11)	148.16	+0.02	148.13	0.97	1.56
9	Debs & Loans (56)	109.48	+0.03	109.45	2.06	4.30

	AVERAGE GROSS REDEMPTION YIELDS		Fri May 24	Thu May 23	Year ago (approx.)	1991 High	1991 Low
	British Government						
1	Low	5 years	9.18	9.14	11.36	10.14 16/1	9.11 12/4
2	Coupons	15 years	9.83	9.76	11.04	10.24 2/1	9.46 19/2
3	(0%-7¾%)	20 years	9.98	9.91	10.95	10.26 2/1	9.53 14/2
4	Medium	5 years	10.34	10.31	12.39	11.15 2/1	10.04 20/2
5	Coupons	15 years	10.27	10.20	11.55	10.62 2/1	9.84 14/2
6	(8%-10¾%)	20 years	10.20	10.12	11.16	10.50 2/1	9.78 14/2
7	High	5 years	10.51	10.48	12.49	11.25 2/1	10.20 19/2
8	Coupons	15 years	10.44	10.37	11.85	10.80 2/1	9.98 14/2
9	(11%-)	20 years	10.34	10.26	11.47	10.67 2/1	9.90 14/2
10	Irredeemables	†	10.20	10.16	10.94	10.48 31/12	9.83 14/2
	Index-Linked						
11	Inflation rate 5%	Up to 5yrs.	4.06	4.08	5.31	4.19 2/1	3.59 18/1
12	Inflation rate 5%	Over 5 yrs.	4.22	4.21	4.20	4.23 17/5	4.09 18/2
13	Inflation rate 10%	Up to 5 yrs.	3.16	3.16	4.25	3.20 21/5	2.13 21/2
14	Inflation rate 10%	Over 5 yrs.	4.03	4.02	4.02	4.05 19/3	3.90 12/4
15	Debs &	5 years	11.88	11.88	14.43	12.63 9/1	11.84 2/4
16	Loans	15 years	11.65	11.65	13.47	12.38 18/1	11.61 4/3
17		25 years	11.45	11.45	13.07	12.16 18/1	11.40 1/3

‡Opening index 2482.0; 9 am 2473.5; 10 am 2477.8; 11 am 2473.1; Noon 2462.7; 1 pm 2460.8; 2 pm 2462.4; 2.30 pm 2464.1; 3 pm 2464.8; 4.10 pm 2469.4; (a) 8.30am (b) 12.43pm

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Business Services	31/12/90	999.65	Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electricity	31/12/90	999.65	Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Media	31/12/90	1228.68	Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Engineering - Aerospace	29/12/89	486.00	Health/Household Products	30/12/77	261.77	All Other	10/4/62	100.00
Engineering - General	29/12/89	486.00	Other Groups	31/12/74	63.75	British Government	31/12/75	100.00
Water	29/12/89	1968.45	Industrial Group	31/12/70	128.20	Do. Index-linked	30/4/82	100.00
Conglomerates	31/12/86	1114.07	Other Financial	31/12/70	128.06	Debs & Loans	31/12/77	100.00

† Flat yield. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE includes details of the information used in the construction of these indices. These are available by subscription from FINSTAT, 071-925 2323.
CONSTITUENT CHANGES: Tootal (35), Robertson Group (41) and Manchester Ship Canal (44) have been deleted and replaced by Mirror Group Newspapers (30), Stat-Plus Group (31) and Sinclair (William) Holdings.

LONDON TRADED OPTIONS

Option		Calls Jul	Calls Oct	Calls Jan	Puts Jul	Puts Oct	Puts Jan
Alld Lyons (*544)	500	58	78	88	6½	12	19
	550	28	47	58	23	34	38
	600	9	25	37	62	65	70
ASDA (*109)	100	14	15	18	2½	4½	6
	110	6½	9	12	6	9	10½
	120	3	5	8½	12	16	17
Brit. Airways (*161)	140	22	24	28	3	5	7½
	160	7	13	17	11	14½	17
	180	2	6½	9	28	30	31
SmKl Beecham A (*790)	750	61	85	104	10	17	22
	800	31	55	74	28	37	44
	850	11	32	50	63	64	65
Boots (*368)	330	40	49	55	4½	7½	10½
	360	16	29	37	13	18½	21
	390	5	16	23	34	37	39
B.P. (*319)	300	29	36	40	3½	7	11
	330	10½	17	24	16	21	24
	360	3	7	13	41	42	43
British Steel (*127)	120	9	10	12	5½	7½	9
	130	3	5	7	12½	14½	16
	140	1½	2½	4	21½	22½	23
Bass (*976)	950	-	-	102	-	-	42
	977	35	70	-	32	43	-
	1000	-	-	72	-	-	65
C & Wire (*502)	460	50	65	-	6	12	-
	500	22	41	53	21	28	32
	550	6	18	32	55	60	65
Courtaulds (*387)	360	32	45	53	6	11½	14
	390	14	27	36	21	26	28
	420	4	16	22	44	46	48
Com. Union (*488)	460	41	57	59	6	15	18
	500	16	25	39	24	35	39
	550	2½	10	19	67	72	74
Fisons (*470)	420	59	74	84	3	6½	9
	460	30	45	56	12	17	21
	500	11	25	36	36	39	41
GKN (*343)	300	50	52	-	2½	7	-
	330	27	33	42	8	17	20
	360	11	18	27	24	34	37
Grand Met. (*777)	750	52	73	90	13	24	32
	800	25	44	60	38	47	53
	850	8½	24	40	76	81	87
I.C.I. (*1240)	1200	90	115	150	29	52	59
	1250	58	87	125	50	75	80
	1300	36	67	100	82	105	104
Kingfisher (*473)	420	66	77	-	3½	8	-
	460	35	49	63	12	20	24
	500	15	28	40	35	40	44
Ladbroke (*264)	240	31	40	-	3	6½	-
	260	17	26	31	8½	14	16
	280	8	16	20	20	25	27
Land Secs (*514)	500	18	33	43	14	18	23
	550	3	12	22	55	56	57
M & S (*249)	240	18	27	32	5	8	10
	260	7	14½	21	15	16½	19
Sainsbury (*373)	360	27	39	48	7½	11	15
	390	10	21	29	21	25	28
Shell Trans. (*502)	500	27	38	47	15	26	28
	550	7	14	27	50	52	55
Storehouse (*99)	90	12	15	-	3	5	-
	100	5½	9	12	7	10	11
Trafalgar (*237)	220	26	36	40	5½	9½	15
	240	13	24	27	13	18	25
Utd. Biscuits (*363)	360	19	29	37	10	17	20
	390	7	15	23	30	35	37

Option		Calls Jul	Calls Oct	Calls Jan	Puts Jul	Puts Oct	Puts Jan
Unilever (*737)	700	55	77	90	7	14	20
	750	22	45	60	30	35	41
Ultramar (*303)	300	17	26	35	9	16	18
	330	6	12½	21	28	33	35
Option		**May**			**May**		
Elec. Pfg. (*£2205)	1850	400	-	-	10	-	-
	1900	350	-	-	20	-	-
Southern Elec (*215)	180	36	-	-	½	-	-
	200	16	-	-	1½	-	-
Option		**May**	**Aug**	**Nov**	**May**	**Aug**	**Nov**
Brit Aero (*602)	600	11	42	53	9	25	36
	650	½	18	31	52	53	62
BAA (*429)	420	11	29	41	3	20	23
	460	1	13	22	32	45	47
BAT Inds (*692)	650	45	62	67	1	14	24
	700	6	35	40	12	35	47
BTR (*386)	360	27	41	46	1	6	11
	390	3	20	28	9	19	25
Brit. Telecom (*378)	360	19	30	37	½	10	12½
	390	1	12	20	13	25	27
Cadbury Sch (*360)	360	5	22	31	6	15	20
	390	1	9½	17	33	34	37
Eastern Elec (*194)	180	16	20	22	1	7½	11
	200	3	9½	13	6½	18	20
Guinness (*934)	900	36	73	95	1½	20	28
	950	4	44	65	22	42	50
GEC (*195)	180	16	20	22	½	4½	6½
	200	1¼	6½	11	6	14½	17
Hanson (*213)	200	14	19½	26	1	4½	6½
	220	¼	8½	14½	8	14	16
LASMO (*325)	300	27	40	-	1	7½	-
	330	5	19	30	10	19	25
Lucas Inds (*155)	140	16	23	26	1	4½	7
	160	2	10	15	7	12	17
P. & O. (*588)	550	42	63	70	1	8	19
	600	2½	31	41	15	32	42
Pilkington (*173)	160	16	21	28	1	9	12
	180	1½	11	17	7½	22	24
Prudential (*224)	220	6	18	22	2	8½	13
	240	1	8½	13	17	20	24
Racal (*227)	220	9	20	26	2	12	16
	240	1	11	17½	16	24	26
R.T.Z. (*516)	460	59	74	81	1	4	9
	500	20	42	53	1	13	21
Scot. & New (*386)	360	28	37	45	1	9	12
	390	3	19	28	5½	23	25
Tesco (*280)	280	3½	19	24	2½	9½	12
	300	1	8½	14	21	22	24
Thames Water (*307)	300	10	19	22	1½	16	20
	330	1	6	11	26	27	41
Option		**Jul**			**Jul**		
STC (*320)	280	-	-	-	¼	-	-
	300	-	-	-	¼	-	-
Option		**Jun**	**Sep**	**Dec**	**Jun**	**Sep**	**Dec**
Abbey Nat. (*278)	260	21	28	37	2	7½	8½
	280	7½	16	25	9	15	18
Amstrad (*64)	60	6	10½	12½	2	4½	6
	70	2	5½	7½	7	9½	11
Barclays (*432)	420	26	37	50	7	19	27
	460	6	18	30	33	42	45
Blue Circle (*242)	240	11½	24	28	7½	14	29
	260	4	13	19	21	27	29

Option		Calls Jun	Calls Sep	Calls Dec	Puts Jun	Puts Sep	Puts Dec
British Gas (*242)	240	9½	13	20	5	13	15
	260	2½	6	12	20	27	29
Dixons (*201)	200	10	17	22	7	14	17
	220	3	8½	-	21	27	-
Eurotunnel (*475)	460	35	60	80	17	33	40
	500	16	43	55	40	52	60
Glaxo (*1159)	1100	77	119	137	8	25	35
	1150	44	85	107	23	44	55
Hawker Sidd. (*560)	550	29	55	70	14	28	36
	600	9	30	45	47	55	62
Hillsdown (*220)	220	9½	19	25	7½	13	15
	240	3	10½	16	22	24	27
Lonrho (*249)	240	16	22	29	4	11	12
	260	6	11	19	14	22	24
Midland Bk (*213)	200	18	25	33	3½	9	13
	220	7	16	23	15	20	22
National Power (*141)	140	7½	10	14	5	12	13
	160	1½	4	7½	21	27	28
Reuters (*861)	850	38	72	103	19	44	52
	900	15	47	75	52	70	78
R. Royce (*151)	140	14	19½	23	2	5	6½
	160	3	8½	12	11½	14	16½
Sears (*81)	80	5	8½	10	4	4½	5½
	90	1½	4	6	10	11	12
THF (*269)	260	15	25	31	5½	8	13
	280	5½	14	20	16	19	23
Thorn EMI (*713)	700	30	40	52	13	38	41
	750	9	19	32	44	72	75
TSB (*153)	140	14½	18	22	1½	3½	5
	160	2½	7	10	9½	14	15
Vaal Reefs (*$62)	60	5½	8½	11½	4	7½	9½
	70	2	5	-	10	13	-
Wellcome (*597)	550	57	82	95	6	18	26
	600	23	51	65	25	37	47

EURO FT-SE INDEX (*2469)

	2325	2375	2425	2475	2525	2575	2625	2675
CALLS								
May	150	100	52	12	3	½	½	19
Jun	165	123	83	52	15	8	3½	1½
Jul	183	-	105	-	50	-	20	-
Sep	225	-	152	-	92	-	55	-
Dec	275	-	208	-	150	-	103	-
Mar	325	-	255	-	200	-	150	-
PUTS								
May	2	3	6	22	58	107	157	162
Jun	10	17	28	45	72	108	150	197
Jul	17	-	38	-	79	-	149	-
Sep	37	-	63	-	100	-	150	-
Dec	55	-	77	-	115	-	160	-
Mar	70	-	90	-	120	-	170	-

FT-SE INDEX (*2469)

	2350	2400	2450	2500	2550	2600	2650	2700
CALLS								
May	127	77	30	5½	1	½	½	½
Jun	146	103	68	39	19	10	4½	2
Jul	166	127	92	64	39	24	14	8
Aug	184	146	112	83	60	42	29	18
Dec †	-	225	-	165	-	110	-	70
PUTS								
May	1½	3	9	38	84	134	184	234
Jun	12	20	35	59	92	137	184	234
Jul	23	34	51	72	103	143	187	235
Aug	31	43	59	81	112	148	188	235
Dec †	-	78	-	119	-	175	-	245

May 24 Total Contracts 22,066
Calls 14,696 Puts 7,370
FT-SE Index Calls 3,120 Puts 5,269
Euro FT-SE Calls 36 Puts 197
*Underlying security price. † Long dated expiry months
Premiums shown are based on offer prices.

INTERNATIONAL COMPANIES AND FINANCE

Dresdner confirms Allianz holding

By Andrew Fisher in Frankfurt

Wolfgang Röller: surprised financial community

MR Wolfgang Röller, the chief executive of Dresdner Bank, surprised the German financial community yesterday by admitting the bank had a 10 per cent stake in the big Allianz insurance group.

He also told the bank's annual meeting that Allianz, which is Germany's and Europe's largest insurance concern, was believed to have a similar, or even slightly larger, holding in Dresdner. Allianz did not comment.

Mr Röller's statement marked the first confirmation by Dresdner that it was a shareholder in Allianz, although there has been previous speculation of this. He added that the bank had recently increased its stake to 10 per cent – he did not say from which level – to take account of tax advantages for stakes of this size.

Another reason was to cement the business links between the two concerns, under which they sell each other's banking and insurance products in central Germany.

The announcement of the holding comes not long after the news that Dresdner had sold 10 per cent of Metallgesellschaft, the German metals, mining, and engineering company, to Daimler-Benz. This reduced the bank's stake to 13 per cent, in line with its policy of gradually reducing its industrial holdings.

Since German companies do not have to detail shareholdings below 25 per cent, such disclosures meet with intense interest among investors.

At yesterday's share price, 10 per cent of Allianz was worth DM4.2bn ($2.5bn) and 10 per cent of Dresdner DM1.4bn. A few years ago, Deutsche Bank revealed it owned 10 per cent of Allianz as part of the filing for its Tokyo share listing. Allianz's biggest shareholder, with 25 per cent, is Munich Reinsurance, in which Allianz in turn owns a stake of the same size.

Commenting on Dresdner's progress in the first four months of this year, Mr Röller said partial operating profits – excluding trading on its own account – were 10 per cent higher than in the same period of 1990.

On Thursday, Deutsche Bank also announced a 10 per cent increase, but said its full operating profit (including own account business) was 20 per cent higher.

NTT down 13.9% and warns of further fall

By Stefan Wagstyl

NIPPON Telegraph and Telephone, the Japanese telecommunications utility, suffered a 13.9 per cent decline in consolidated annual pre-tax profits to Y440bn ($3.21bn), due to government-enforced rate cuts and intense competition from newly established carriers.

The group warned profits would fall further this year, with little prospect of significant improvement.

NTT's performance highlights how privatisation and partial deregulation has transformed the Japanese telecommunications industry. NTT is obliged by law to maintain a host of loss-making and marginal services, including networks in rural areas, whilst having to share its profitable inter-city routes with companies set up since deregulation in the mid-1980s. The group also faces the prospect of a planned government review in the mid-1990s which could result in NTT's break-up.

Consolidated sales in the year to end-March rose 3.5 per cent to Y6,251bn. Operating profit fell 11.7 per cent to Y623bn and net profit by 15.2 per cent to Y236bn. This year NTT forecasts a further 2.6 per cent fall in pre-tax profits to Y429bn despite an expected rise in sales to Y6,482bn.

NTT said it boosted revenues by marketing premium services including mobile telephones, leased lines and call-forwarding systems. But operating margins were hurt by the cost of efforts to improve customer services.

For the parent company, NTT posted sales of Y5,958bn, up 3.2 per cent and pre-tax profits of Y414bn, a 14.5 per cent fall.

Ricoh expects steep decline

RICOH, the Japanese photocopier maker, has forecast sharp declines in consolidated profits for the year to March 1992, writes Emiko Terazono in Tokyo.

The office equipment maker expects a 28 per cent fall in pre-tax profits to Y27bn ($197m) and an 18.5 per cent drop in after-tax profits to Y11bn on a 4.6 per cent rise in sales to Y1,050bn. Sluggish demand in US and Europe and slower domestic growth will hold back results.

For the previous business year ended March 1991, Ricoh posted a 21.2 per cent in pre-tax profits to Y37.6bn on a 20.1 per cent rise in sales to Y1,003bn. But after-tax profits fell 14.6 per cent to Y13.5bn due to depreciation burdens.

Japan's top steel groups hit by sharp rises in costs

By Stefan Wagstyl in Tokyo

SEVERAL of Japan's leading steelmakers yesterday reported sharp declines in annual profits and warned of further likely decreases in the current year, due to rising costs of labour, transport and raw materials.

Despite record sales, fuelled by fast-growing capital spending in Japan, four out of the five biggest groups saw profits fall by up to 39 per cent in the year to March. Only Kobe Steel avoided a fall, since only half its sales come from steel.

The outlook for the current year is poor, even though demand is expected to stay fairly firm. Nippon Steel is bracing itself for a 25 per cent fall in pre-tax profits to Y120bn ($872m).

Kawasaki Steel, which expects a similar decline, said that at home private investment in equipment and housing was expected to slow and the still-stagnant American economy was a source of concern.

"An optimistic outlook would therefore not be realistic. Moreover, in spite of strenuous rationalisation efforts in the company, labour and contracting-out costs, depreciation and interest costs are rising, putting considerable pressure on earnings."

However, Sumitomo said first-half profits would be just Y23bn, down 30 per cent on last year's second half.

In common with Kawasaki Steel, Sumitomo said costs were expected to keep rising, especially labour costs. The steelmakers' plight is a graphic example of the impact of labour shortages on Japanese industry.

Kobe Steel achieved record sales and profits due to sharp increases in sales of copper and aluminium products and of machinery.

It predicted a modest 2.6 per cent increase in pre-tax profits in the current year.

Total steel production last year rose by 3.57m tonnes to 111.7m tonnes, still short of the all-time record of 120m tonnes in 1973.

LEADING JAPANESE STEELMAKERS*

	Sales	Op profits	Pre-tax profits
Nippon Steel	2,606 (+1%)	195.9 (-27.4%)	180.9 (-20.5%)
NKK	1,327 (+4%)	84.9 (-42.9%)	50.4 (-38.6%)
Sumitomo Metals	1,157 (+3%)	139.4 (-14.4%)	73.6 (-23.1 %)
Kawasaki Steel	1,185 (+6.5%)	117.9 (-21.0%)	58.9 (-27.9%)
Kobe Steel	1,321 (+8.2%)	118.6 (+1%)	56.5 (+0.9%)

*Parent company results for year to March 1991; figures in Ybn. Percentage change in brackets.

Veba boosts sales and earnings

By David Goodhart in Bonn

VEBA, the German energy and chemicals group, recorded a rise in sales and earnings in the first quarter of 1991 to DM1.21bn ($711m) on a turnover of DM54.6bn, after a drop of almost 10 per cent in 1990 earnings from DM1.34bn.

The first quarter saw an 11.4 per cent increase in sales to DM14.7bn and a rise in earnings of DM3m to DM240m. The company described the start to the year as encouraging, despite slightly depressed trading conditions abroad.

Mr Klaus Piltz, Veba chairman, said the company was on course to invest nearly DM8bn in east Germany, mainly in the energy sector, out of a total investment projection of DM30bn over the next four years.

By 1995 he expected east German turnover of DM10bn and earnings of at least DM100m.

Mr Piltz also said the company would be increasing its internationalisation in the core fields of electricity, oil, chemicals, trade, transport and services.

Veba, which owns the utility Preussen Elektra, favours the building of new nuclear power stations in east Germany, however. Mr Piltz said an essential precondition was cross-party consensus on Germany's future energy mix.

Reserves have been strengthened following the sale of Feldmühle Nobel to the Swedish group Stora. Feldmühle is once more the subject of takeover speculation, with Stora now apparently poised to sell its controlling stake in the conglomerate.

Pinault in deal for Conforama

By William Dawkins in Paris

PINAULT, the diversified French timber, electrical distribution and international trading group, was yesterday poised to take control of Conforama, the country's largest furniture retailer.

Conforama, which owns 250 stores and has an annual turnover of more than FFr12bn ($2bn), is part of Financière Agache, the main financial and industrial holding company of Mr Bernard Arnault, chairman of the LVMH luxury products group.

A merger would be part of Mr Arnault's strategy of focusing Financière Agache more closely on its core luxury goods holdings to make it more coherent to investors.

The companies are completing the final touches of what is understood to be a highly complex deal, the details of which are due to be announced on Monday.

The shares of Pinault and Bon Marché, the stores group which controls Conforama, have been suspended, following intense speculation that a deal was in the offing. Neither side was prepared to comment yesterday, though it is understood this will not be a straight cash sale.

Pinault was, until three years ago, an obscure Breton-based timber and products group, which achieved fame by buying the troubled paper group, Chapelle d'Arblay, in 1987 and the selling it, at a substantial profit last year, to Kymmene of Finland.

Last year, Pinault took over CFAO, an African trading company which owns France's largest electrical distributor and sold it at a large profit La Ruche Méridionale, a supermarket chain which CFAO had bought a year earlier.

Algoma proposes survival package

By Bernard Simon in Toronto

ALGOMA Steel, the ailing Canadian steelmaker, has proposed a survival plan which would involve more than halving its workforce, converting some of its C$800m (US$695.6m) debt into equity and sharply curtailing its product line.

Algoma, which is Canada's third biggest steel producer and the mainstay of the Ontario city of Sault Ste-Marie, is in danger of collapse without sacrifices from lenders, workers and government. It lost C$704m last year and expects to be C$116m in the red in 1991.

The company has proposed withdrawing from the rail, structural steel and tube businesses and focusing on sheet and plate for the automotive and construction industries. Present production capacity is about 2.8m tonnes a year.

The change in product mix would involve cutting the workforce to 3,350 by the end of 1995, from the present level of 7,100. It is also seeking a 20 per cent pay cut for remaining employees and a seven-year moratorium on strike action.

Algoma is a wholly owned subsidiary of Dofasco, Canada's biggest steelmaker. Dofasco earlier this year wrote off its entire C$713m investment in the company.

BP unit suspends gold mine operations

BP's Canadian subsidiary is suspending operations indefinitely at its 75 per cent-owned Hope Brook gold mine in Newfoundland, as a result of effluent treatment problems, writes Bernard Simon.

Hope Brook, which has been plagued by technical and financial problems since it came into full production two years ago, said the closure could last as long as five or six months and will involve the lay-off of 250 workers. The company will then assess the "economic advisability" of resuming operations.

Hope Brook said although newly installed effluent treatment facilities were operating satisfactorily, holding ponds on the property contain substantial amounts of contaminated effluent, resulting from the failure of older treatment equipment.

The shutdown will allow time for further reduction of contaminant levels in residual material before its release to the environment.

The underground mine, which started production in 1989, has a capacity of 120-140,000 ounces of gold a year. But its performance has fallen well below expectations, with losses of C$18.8m (US$16.3m) in 1989 and C$49.8m last year. Last year's results included a C$30m writedown of assets. The mine suffered a further C$8.1m loss in the first three months of this year.

NEC profits tumble to Y134bn

By Robert Thomson in Tokyo

NEC, the Japanese electronics company, reported a 22.8 per cent fall in consolidated pre-tax profit to Y134.19bn ($979m), following significant losses from its withdrawal from the US audio-visual equipment market and a weaker performance by semiconductor subsidiaries.

The company reported a 7.4 per cent increase to Y3,699bn in sales for the year to end-March, as domestic sales of computers increased and communication equipment sales were higher in Japan and in foreign markets.

Sales of electronic devices, including semiconductors, fell 2.3 per cent, communications systems sales rose 11.6 per cent, and computers and industrial electronic system sales increased 10.5 per cent.

Slower semiconductor sales were blamed on "stagnation" in prices for memory chips, while "overseas markets were marked by continued trade friction".

Japan and the US are negotiating a new agreement on access for foreign chips to the Japanese market, and trade friction is likely to lessen, if, as expected, the pact is concluded in coming weeks.

NEC said expansion was also hindered by the Gulf war, a rise in Japanese interest rates, and the poor performance of stock markets last year, in particular, the Japanese stock market, which fell by as much as 48 per cent.

For the current year, the company is concerned about the strength of the yen and a possible deterioration of domestic business conditions, but expects that sales will rise 5 per cent to Y3,900bn and that pre-tax profit will increase to Y170bn.

● Sharp, the Japanese consumer electronics and office equipment maker, reported a 10.8 per cent increase in pre-tax profit to Y80.2bn on a 5 per cent increase in sales to Y1,152.7bn, but is also concerned about a possible slowing of domestic demand this year.

The company said domestic demand remained buoyant for cordless telephones, facsimile machines and air conditioners, while foreign demand was strongest for video equipment and personal computers.

Company officials were concerned about economic conditions in Europe and the US, but hopeful that demand will increase this year in eastern Europe and the Soviet Union.

Sales are expected to rise slightly to Y1,220bn, while pre-tax profit is predicted to be 6 per cent higher at Y85bn.

Fresh orders help MHI advance 14.1%

By Robert Thomson

MITSUBISHI Heavy Industries, the Japanese shipbuilder and heavy machinery maker, lifted pre-tax profit 14.1 per cent to Y167.2bn ($1.2bn) in the year to end-March, as increased capital spending by Japanese companies created new demand for industrial machinery and orders for new ships rose sharply.

Japanese shipbuilders have just emerged from a slump that forced cuts in capacity, but MHI and other builders have reported that order books are full until 1994.

Companies are wary of increasing shipbuilding capacity, fearing a surge in supply could lead to another slump and are happy to increase gradually their earnings from ships. MHI said consolidated sales rose 12.6 per cent to Y2,565bn, while sales in the shipbuilding and steel structure division rose 10.6 per cent to Y319.57bn.

Heavy machinery sales rose 20 per cent, general machinery and refrigeration systems increased 11.9 per cent, aircraft and special vehicles 11.8 per cent and power systems 3.2 per cent. The company said exports rose 26.4 per cent.

Another leading shipbuilder, Ishikawajima-Harima Heavy Industries (IHI), reported a 76.5 per cent increase in pre-tax profit to Y27bn on a 15.6 per cent rise sales to Y731.3bn.

For the current year, IHI expects a 9.6 per rise in sales to Y800bn and, as capital spending growth has fallen recently, pre-tax profit is expected to remain flat at Y27bn.

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1991	Low 1991
Gold per troy oz.	$356.05	+0.75	$367.25	$392.25	$353.55
Silver Per troy oz	235.80p	+0.80	309.05p	237.70p	183.35p
Aluminium 99.7% (cash)	$1269.5	-38.5	$1550	$1570	$1263
Copper Grade A (cash)	£1285.5	+7.5	£1590	£1472	£1241.0
Lead(cash)	£315	-12	£487	£382.5	£292.5
Nickel (cash)	$8270	-80	$8475	$9237.5	$8110
Zinc SHG (cash)	$1078.0	-11.5	$1767	$1430	$1076.0
Tin (cash)	$5685	-80	$6365	$5915	$5470
Cocoa Futures (Jul)	£606	-3	£963	£714	£586
Coffee Futures (Jul)	£530	-28	£658	£613	£520
Sugar (LDP Raw)	$202.0	+3.50	$356.00	$236.0	$194.0
Barley Futures (Nov)	£112.10		£116.45	£121.50	£107.75
Wheat Futures (Sep)	£111.80		£113.85	£141.10	£111.80
Cotton Outlook A Index	85.35c	+0.60	88.65c	86.25c	82.65c
Wool (64s Super)	382p	-7	536p	421p	329p
Oil (Brent Blend)	$19.325w	-0.25	$16.75	$29.15	$16.75

Per tonne unless otherwise stated. †Unquoted. p-pence/kg. c-cents lb. w-Jul.

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$15.90-6.05u	+.025
Brent Blend (dated)	$18.75-8.85	+0.05
Brent Blend (Jul)	$19.30-9.35	+.075
W.T.I. (1 pm est)	$21.10-1.15u	+.175

Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$245-247	
Gas Oil	$182-183	-2
Heavy Fuel Oil	$69-71	
Naphtha	$206-208	-3

Petroleum Argus Estimates

Other		+ or -
Gold (per troy oz)♣	$356.05	+0.50
Silver (per troy oz)♣	407.5c	+1.0
Platinum (per troy oz)	$390.25	+0.70
Palladium (per troy oz)	$93.75	
Aluminium (free market)	$1275	-15
Copper (US Producer)	104c	
Lead (US Producer)	33c	
Nickel (free market)	379c	+3
Tin (Kuala Lumpur market)	15.34r	+0.06
Tin (New York)	286c	
Zinc (US Prime Western)	62c	
Cattle (live weight)†	112.76p	+1.18*
Sheep (dead weight)†	159.17p	-32.92
Pigs (live weight)†	86.30p	-7.06*
London daily sugar (raw)	$202.0q	+1.50
London daily sugar (white)	$299.5q	+9.5
Tate and Lyle export price	£223.5	
Barley (English feed)	£108v	
Maize (US No. 3 yellow)	£180.5	+0.5
Wheat (US Dark Northern)	£100	
Rubber (Jul)♥	53.25p	-0.25
Rubber (Aug)♥	54.25p	
Rubber (KL RSS No 1 Jun)	227.0m	+0.5
Coconut oil (Philippines)§	$330.0v	-7.5
Palm Oil (Malaysian)§	$315.0	-2.5
Copra (Philippines)§	$222.5v	
Soyabeans (US)	£160.0	-0.5
Cotton "A" Index	85.35c	-0.20
Wooltops (64s Super)	382p	-2

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Jun/Jul t-Jun u-Jul v-Jul/Aug. x-Jul/Aug. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
Aug	171.80	171.60	173.00 171.00
Oct	170.80	171.20	172.20 170.00
Dec	175.00	174.40	175.00 172.00
Mar	173.00	172.40	174.00 172.00
May	176.00	175.00	176.00
Aug	178.80		178.00
Oct	180.80	181.20	180.80

White	Close	Previous	High/Low
Aug	290.0	285.5	291.0 285.3
Oct	256.0	254.0	257.8 253.3
Dec	250.0	247.0	250.1 247.3
Mar	250.6	248.0	251.1 249.0
May	252.8	252.0	252.0 251.5
Aug	258.8	257.0	258.5 257.0
Oct	247.8	251.0	246.5 246.0

Turnover: Raw 791 (281) lots of 50 tonnes. White 1540 (1501)
Paris- White (FFr per tonne): Aug 1681, Oct 1499.

CRUDE OIL – IPE $/barrel

	Latest	Previous	High/Low
Jul	19.37	19.20	19.38 19.25
Aug	19.57	19.43	19.60 19.46
Sep	19.74	19.65	19.74 19.63
Oct	19.77	19.83	19.77 19.75
Nov	19.80	19.86	19.88 19.80
IPE Index	19.28	19.22	

Turnover 7750 (15498)

GAS OIL – IPE $/tonne

	Latest	Previous	High/Low
Jun	176.75	179.75	179.75 176.50
Jul	173.75	175.75	175.75 173.50
Aug	175.00	177.25	176.50 174.75
Sep	177.25	179.50	179.25 176.75
Oct	179.75	182.75	180.00 179.00
Nov	182.00	183.75	183.25 181.00
Dec	182.50	185.00	183.50 181.75
Jan	179.75	182.60	183.50 179.75
Feb	177.00	179.00	178.00 177.00

Turnover 8926 (5447) lots of 100 tonnes

SPICES
The pepper market continues to suffer from lack of activity on the buyers' side, reports Man-producten. Buyers have either covered their needs for the coming months already or cannot yet be persuaded to take action in this very dull market. Increasing selling pressure from different source markets like Indonesia, Malaysia and Thailand resulted in still lower prices which are now doubtless below the cost of production. Muntok white pepper was traded at US$1,150 cif and Sarawak black pepper special at $1,100 cif, prompt shipment.

COCOA – London FOX £/tonne

	Close	Previous	High/Low
May	592	580	580 580
Jul	606	600	606 598
Sep	636	627	636 627
Dec	674	664	674 664
Mar	706	697	706 697

Turnover: 3876 (1738) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for May 23 775.42 (768.95) 10 day average for May 24 781.98 (783.42)

COFFEE – London FOX £/tonne

	Close	Previous	High/Low
May	508	494	503 495
Jul	530	519	530 519
Sep	556	541	555 543
Nov	578	565	579 567
Jan	597	587	596 593
Mar	619	614	619 616

Turnover:3223 (6520) lots of 5 tonnes
ICO indicator prices (US cents per pound) for May 23 : Comp. daily 65.53 (66.12). 15 day average 67.80 (67.96)

POTATOES – London FOX £/tonne

	Close	Previous	High/Low
Mar	131.0	131.5	
Apr	132.5	134.0	133.5 131.8

Turnover 52 (23) lots of 40 tonnes.

SOYAMEAL – London FOX £/tonne

	Close	Previous	High/Low
Aug	129.00	130.00	129.00
Oct	133.00	133.50	133.00

Turnover 40 (45) lots of 20 tonnes.

FREIGHT – London FOX $10/Index point

	Close	Previous	High/Low
May	1738	1740	1755 1740
Jun	1685	1705	1705 1700
Jul	1574	1575	1598 1565
Oct	1648	1673	1685 1640
Jan	1650	1676	1685
Apr	1600		1600
BFI	1715	1699	

Turnover 381 (416)

GRAINS – London FOX £/tonne

Wheat	Close	Previous	High/Low
Jun	135.25	134.50	135.25 134.00
Sep	111.80	111.45	111.60 111.45
Nov	114.60	114.25	114.75 114.25
Jan	118.15	117.90	118.00
Mar	121.15	120.85	
May	124.75		124.30 124.25

Barley	Close	Previous	High/Low
Sep	108.35	107.70	108.25 108.00
Nov	112.10	111.50	112.00 111.50

Turnover: Wheat 213 (275), Barley 49 (0).
Turnover lots of 100 tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
Jun	119.0	121.0	120.0
Aug	116.0	118.0	116.0
Nov	112.0	115.0	114.0 111.5
Jan	104.8	107.0	105.0 104.1
Feb	106.0		105.0 104.0

Turnover:55 (106) lots of 3,250 kg

MGMI – London FOX

	Close	Prev.	High	Low	Vol
Indx	138.31	139.01			
Jun	139.40	140.10	139.50	139.40	85
Jul	139.80	140.20	140.30	139.80	115
Sep	140.00	140.50	140.60	140.00	100
Dec	140.70		141.10	140.70	75
Mar	140.90		140.90	140.90	25
Jun	141.70		141.70	141.70	25

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 20,463 lots
Cash	1269-70	1288-90		1271-2		
3 months	1299-300	1318-9	1312/1292	1302-3	1296-8	83,768 lots
Copper, Grade A (£ per tonne)						Total daily turnover 26,622 lots
Cash	1285-6	1284-5	1285/1275	1275.5-6.5		
3 months	1300-1	1296-7	1300/1290	1292-2.5	1296-7	119,314 lots
Lead (£ per tonne)						Total daily turnover 2,263 lots
Cash	314-6	318-9	311.5/311	311-1.5		
3 months	326-7	330-1	330/322	322.5-3.0	326-7	13,880 lots
Nickel ($ per tonne)						Total daily turnover 2,620 lots
Cash	8260-80	8125-35	8250/8225	8250-75		
3 months	8250-70	8160-70	8275/8125	8225-50	8240-60	12,706 lots
Tin ($ per tonne)						Total daily turnover 1,823 lots
Cash	5880-90	5870-80		5880-90		
3 months	5755-60	5755-60	5760/5750	5755-60	5755-60	6,933 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 8,154 lots
Cash	1075-7	1082-4		1072-3		
3 months	1090-2	1097-8	1093/1087	1088.5-9.0	1088-90	28,881 lots

LME Closing £/$ rate:
SPOT: 1.7320 3 months: 1.7090 6 months: 1.6910 9 months: 1.6767

LONDON BULLION MARKET (Prices supplied by N.M.Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	355.60-356.30	
Opening	356.50-355.90	
Morning fix	355.50	204.310
Afternoon fix	355.80	205.344
Day's high	358.10-356.50	
Day's low	355.10-355.50	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	5.26	6 months	5.15
2 months	5.24	12 months	5.10
3 months	5.20		

Silver fix	p/fine oz	US cts equiv
Spot	233.10	405.00
3 months	239.60	410.85
6 months	245.75	416.90
12 months	258.10	430.75

GOLD COINS (Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	356.00-357.00	205.50-206.00
Maple leaf	365.00-366.00	210.50-211.00
New Sovereign	85.00-86.00	49.00-49.50

TRADED OPTIONS

Coffee	Jul	Sep	Jul	Sep
500	34	6	4	5
550	8	27	28	22
600	1	10	71	55

Cocoa	Jul	Sep	Jul	Sep
550	55	53		17
600	15	36	10	40
650	1	12	46	46

Brent Crude	Jul	Aug	Jul	Aug
1900				
1950				
2000		41		

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
May	356.5	355.2	0	0
Jun	356.8	355.5	357.1	355.8
Jul	358.1	356.8	359.0	357.0
Aug	359.5	358.1	359.8	358.3
Oct	362.6	361.2	362.6	362.6
Dec	365.7	364.3	366.0	364.6
Feb	369.1	367.7	0	0
Apr	372.2	370.8	0	0
Jun	375.6	374.2	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Jul	392.8	391.3	393.5	392.0
Oct	397.1	395.6	397.5	396.0
Jan	401.3	399.8	400.5	400.5
Apr	405.3	403.8	0	0
Jul	409.3	407.8	0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
May	402.8	403.9	405.5	404.0
Jun	402.9	404.2	0	0
Jul	405.0	406.3	408.5	404.5
Sep	409.9	411.2	413.5	410.0
Dec	416.8	418.1	420.0	417.0
Jan	418.8	420.1	0	0
Mar	424.3	425.6	0	0
May	429.6	430.9	0	0
Jul	434.8	436.1	0	0
Sep	440.5	441.8	0	0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	100.85	100.90	101.25	100.40
Jun	100.30	100.40	100.50	0
Jul	99.10	99.20	98.70	98.75
Aug	98.60	98.70	98.90	98.90
Sep	98.15	98.20	98.50	97.90
Oct	97.80	97.85	0	0
Nov	97.50	97.55	0	0
Dec	97.15	97.20	97.45	97.40
Jan	96.80	96.85	0	0
Feb	96.50	96.55	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Jul	21.16	21.02	21.21	21.03
Aug	21.17	21.04	21.20	21.04
Sep	21.22	21.13	21.26	21.12
Oct	21.29	21.22	21.31	21.20
Nov	21.35	21.29	21.36	21.28
Dec	21.40	21.36	21.40	21.32
Jan	21.32	21.29	21.32	21.25
Feb	21.26	21.23	21.26	21.22
Mar	21.18	21.18	21.20	21.11
Apr	21.16	21.14	21.18	21.12

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Jun	5585	5609	5610	5575
Jul	5625	5650	5650	5615
Aug	5695	5719	5720	5685
Sep	5835	5855	5840	5825
Oct	5940	5955	5950	5930
Nov	6030	6045	6035	6020
Dec	6130	6135	6135	6100
Jan	6145	6150	6150	6110
Feb	6045	6055	6045	6020
Mar	5830	5840	5840	5820

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Jul	992	978	999	984
Sep	1020	1006	1027	1012
Dec	1062	1051	1067	1057
Mar	1104	1092	1106	1106
May	1130	1117	0	0
Jul	1160	1146	0	0
Sep	1187	1173	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Jul	87.05	86.50	87.35	86.60
Sep	89.25	88.80	89.55	88.90
Dec	92.30	92.05	92.65	92.10
Mar	95.50	94.90	95.50	95.25
May	97.10	96.50	97.50	97.25
Jul	99.40	99.00	99.50	99.25
Sep	101.05	100.60	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jul	8.10	7.99	8.13	8.03
Oct	7.72	7.72	7.76	7.66
Mar	7.84	7.79	7.85	7.78
May	7.93	7.90	7.94	7.90
Jul	8.09	8.01	8.04	8.01
Oct	8.23	8.17	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Jul	90.02	89.66	90.34	88.25
Oct	79.76	79.18	79.86	78.50
Dec	74.12	73.53	74.40	73.35
Mar	75.05	74.45	75.15	74.20
May	75.50	74.92	75.50	74.95
Jul	75.75	75.00	75.70	75.00

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jul	124.85	122.35	125.00	123.20
Sep	123.90	120.80	124.10	122.00
Nov	120.25	119.00	121.00	120.00

INDICES

REUTERS (Base: September 18 1931 = 100)

May 24	May 23	mnth ago	yr ago
1717.8	1726.0	1746.1	1929.2

DOW JONES (Base: Dec. 31 1974 = 100)

	May 23	May 22	mnth ago	yr ago
Spot	128.10	129.17	126.34	135.81
Futures	125.94	126.10	127.71	133.84

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Jul	574/0	582/0	585/0	573/0
Aug	578/4	586/6	588/6	578/0
Sep	580/2	588/2	580/4	580/0
Nov	588/2	597/2	600/0	588/0
Jan	600/4	608/0	610/0	599/4
Mar	611/6	619/0	621/0	611/0
May	619/0	627/4	630/0	619/0
Jul	625/4	633/2	636/4	625/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Jul	20.05	20.43	20.55	20.02
Aug	20.26	20.59	20.69	20.25
Sep	20.44	20.76	20.85	20.30
Oct	20.60	20.90	21.06	20.60
Dec	21.05	21.26	21.37	21.00
Jan	21.16	21.40	21.50	21.16
Mar	21.48	21.72	21.82	21.48
May	21.85	22.02	22.10	21.85

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Jul	172.7	174.3	174.8	172.3
Aug	174.0	175.3	176.2	173.8
Sep	175.5	176.7	177.4	175.5
Oct	176.5	177.8	178.2	176.5
Dec	178.0	180.2	180.7	178.0
Jan	179.0	181.6	181.0	179.0
Mar	179.5	182.0	0	0
May	180.0	182.5	180.0	180.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
May	260/6	261/0	261/6	260/0
Jul	250/2	251/0	252/2	248/6
Sep	249/2	250/2	251/2	248/4
Dec	249/2	249/6	250/6	248/2
Mar	256/6	257/4	258/0	256/6
Jul	265/6	265/6	266/0	265/0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
May	321/0	322/4	321/6	321/0
Jul	293/4	310/0	297/0	293/0
Sep	302/2	305/4	305/4	302/0
Dec	315/2	318/0	317/6	314/2
Mar	322/4	325/4	325/0	321/4

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jun	76.05	75.52	76.07	75.62
Aug	73.97	73.50	74.05	73.56
Oct	75.46	74.87	75.50	74.95
Dec	76.00	75.47	76.05	75.50
Feb	75.47	74.92	75.55	75.20
Apr	76.00	75.75	76.15	75.90
Jun	74.60	74.35	74.60	74.25

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Jun	57.77	57.62	57.90	57.45
Jul	56.10	55.80	56.20	55.75
Aug	53.00	52.77	53.07	52.80
Oct	47.75	47.65	47.85	47.60
Dec	47.55	47.50	47.95	47.40
Feb	47.30	47.50	47.75	47.20
Apr	45.45	45.57	45.80	45.45
Jun	49.75	49.75	0	0

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Jul	59.10	58.30	59.20	58.30
Aug	56.90	54.72	56.00	54.75
Feb	57.05	58.37	57.30	56.60
Mar	57.20	56.50	57.20	57.20
May	57.50	56.50	57.50	57.00
Jul	57.50	56.50	57.50	57.00

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound lose ground

THE DOLLAR and sterling lost ground ahead of a long holiday weekend. On Monday US markets are closed for Memorial Day, while the UK celebrates the Spring bank holiday.

A strong stock market in Frankfurt provided support for the D-Mark and tended to depress the dollar. Earlier in the day the US currency had gained some support from suggestions that Finland is about to follow Sweden in linking its currency to the Ecu. Like the Swedish krona, before the Ecu link, the Finnish markka is tied to a basket of currencies, but the weighting of the dollar is much smaller. It is therefore less likely to produce any marked covering of short positions or a strong surge in the value of the dollar.

Sterling's decline followed a cut of ½ point in UK bank base rates, leaving the pound weaker against the dollar and members of the European exchange rate mechanism.

There were few other factors and trading was generally quiet. In New York the Federal Reserve stayed out of the money market. Intervention was not expected although Federal funds traded below the assumed target level of 5¾ per cent.

At the London close the dollar had fallen to DM1.7085 from DM1.7140; to FFr5.8050 from FFr5.8225; and to SFr1.4550 from SFr1.4560, but had improved to Y138.40 from Y137.70. On Bank of England figures the dollar's index eased to 65.9 from 66.0.

Mr Norbert Kloten, state head of the Bundesbank in Baden-Wuerttemberg, said there is no reason for Germany to change its monetary policy at present. He said neither lower nor higher rates would fit into the current environment and at the moment the Bundesbank cannot even think about abandoning its monetary line.

This contrasted with comments made by Mr Makoto Utsumi, vice minister for international affairs at the Japanese Finance Ministry. His remarks were cloaked in metaphor, but appeared to hint that Japan is considering easing its monetary policy.

Sterling fell 45 points to $1.7305 after UK banks responded to a signal from the Bank of England by cutting their base lending rates.

The pound also declined to DM2.9575 from DM2.9750; to FFr10.0450 from FFr10.1025; and to SFr2.5175 from SFr2.5250, but rose to Y239.50 from Y239.00. Its index fell 0.2 to 91.8.

Sterling lost its position as the second strongest member of the ERM. It slipped to third place, below the Italian lira and the top placed Spanish peseta. The peseta remained strong after the cut in UK rates, but longer term money market rates fell in Madrid on speculation that international pressure will force an easing of Spanish monetary policy.

£ IN NEW YORK

May 24	Latest	Previous Close
£ Spot	1.7310-1.7320	1.7345-1.7355
1 mth	0.82-0.81pm	0.85-0.83pm
3 mths	2.32-2.29pm	2.28-2.25pm
12 mths	6.95-6.85pm	6.85-6.77pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	May 24	Previous
8.30 am	92.1	91.9
9.00 am	92.1	91.8
10.00 am	92.0	91.9
11.00 am	92.1	91.8
Noon	92.1	91.9
1.00 pm	92.1	91.8
2.00 pm	92.0	91.8
3.00 pm	91.9	91.9
4.00 pm	91.8	92.0

CURRENCY RATES

May 24	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	–	0.778995	0.695755
U.S. Dollar	6.00	1.34104	1.20609
Canadian $	9.22	1.54313	1.38604
Austrian Sch	7	16.2996	14.4755
Belgian Franc	10.50	47.5536	42.3218

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

May 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7280 - 1.7415	1.7300 - 1.7310	0.82-0.80cpm	5.62	2.31-2.28pm	5.30
Ireland†	1.5625 - 1.5715	1.5660 - 1.5670	0.59-0.54cpm	4.33	1.55-1.45pm	3.83
Canada	1.1480 - 1.1505	1.1485 - 1.1495	0.29-0.32cdis	-3.19	0.81-0.86dis	-2.91
Netherlands	1.9175 - 1.9315	1.9235 - 1.9245	0.52-0.55cdis	-3.34	1.38-1.53dis	-3.02
Belgium	35.00 - 35.25	35.15 - 35.25	7.80-9.80cdis	-3.00	23.00-29.00dis	-2.95
Denmark	6.5330 - 6.5655	6.5500 - 6.5550	1.88-2.18oredis	-3.72	5.40-6.00dis	-3.48
Germany	1.7020 - 1.7195	1.7080 - 1.7090	0.41-0.43pfdis	-2.95	1.26-1.29dis	-2.99
Portugal	149.45 - 149.65	149.45 - 149.55	45-60cdis	-4.21	170-200dis	-4.95
Spain	105.65 - 106.20	106.05 - 106.15	56-60cdis	-6.56	160-168dis	-6.18
Italy	1266.50 - 1273.50	1270.75 - 1271.25	5.70-6.00liredis	-5.52	16.00-17.00dis	-5.19
Norway	6.6340 - 6.6720	6.6550 - 6.6600	2.08-2.38oredis	-4.02	6.15-6.65dis	-3.85
France	5.7850 - 5.8215	5.8025 - 5.8075	1.65-1.70cdis	-3.46	4.60-4.70dis	-3.20
Sweden	6.1050 - 6.1460	6.1250 - 6.1300	2.55-2.80oredis	-5.24	7.55-8.00dis	-5.08
Japan	137.70 - 138.45	138.35 - 138.45	0.22-0.24ydis	-1.99	0.58-0.61dis	-1.72
Austria	11.9895 - 12.0525	12.0325 - 12.0375	3.25-3.65grodis	-3.44	9.00-10.20dis	-3.19
Switzerland	1.4485 - 1.4590	1.4545 - 1.4555	0.27-0.29cdis	-2.31	0.78-0.80dis	-2.17
Ecu	1.1985 - 1.2050	1.2000 - 1.2010	0.42-0.40cpm	4.10	1.13-1.10pm	3.72

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

POUND SPOT - FORWARD AGAINST THE POUND

May 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7280 - 1.7415	1.7300 - 1.7310	0.82-0.80cpm	5.62	2.31-2.28pm	5.30
Canada	1.9865 - 2.0025	1.9900 - 1.9910	0.43-0.33cpm	2.29	1.27-1.14pm	2.42
Netherlands	3.3265 - 3.3445	3.3250 - 3.3350	⅝-½cpm	2.03	2-1¾pm	2.25
Belgium	60.65 - 61.25	60.85 - 60.95	16-11cpm	2.66	42-30pm	2.36
Denmark	11.3200 - 11.3795	11.3350 - 11.3450	2¼-1¾orepm	1.92	6-4½pm	1.85
Ireland	1.1075 - 1.1110	1.1080 - 1.1090	0.20-0.15ppm	1.89	0.50-0.40pm	1.62
Germany	2.9525 - 2.9700	2.9550 - 2.9600	¾-⅝pfpm	2.79	1⅞-1¾pm	2.45
Portugal	257.20 - 260.00	257.45 - 258.45	41-5cpm	1.07	29-60dis	-0.69
Spain	182.90 - 184.50	183.30 - 183.60	4-22cdis	-0.85	11-82dis	-1.01

[illegible]

EURO-CURRENCY INTEREST RATES (currency rows)

Sterling, US Dollar, Can. Dollar, Dutch Guilder, Swiss Franc, D-Mark, French Franc, Italian Lira, Belgian Franc, Yen, Danish Krone, Asian $Sing

Long term Eurodollars: two years 7⅞-7¾ per cent; three years 7¾-7⅝ per cent; four years 8⅛-8 per cent; five years 8⅜-8¼ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

May.24	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C$	B Fr.	ECU
£	1	1.730	2.957	239.5	10.04	2.517	3.330	2199	1.990	60.90	1.443
$	0.578	1	1.709	138.4	5.803	1.455	1.925	1271	1.150	35.20	0.834
DM	0.338	0.585	1	80.99	3.395	0.851	1.126	743.7	0.673	20.60	0.488
YEN	4.175	7.223	12.35	1000.	41.92	10.51	13.90	9182	8.309	254.3	6.025
F Fr.	0.996	1.723	2.945	238.5	10.	2.507	3.317	2190	1.982	60.66	1.437
S Fr.	0.397	0.687	1.175	95.15	3.989	1	1.323	873.7	0.791	24.20	0.573
H Fl.	0.300	0.520	0.888	71.92	3.015	0.756	1	660.4	0.598	18.29	0.433
Lira	0.455	0.787	1.345	108.9	4.566	1.145	1.514	1000.	0.905	27.69	0.656
C$	0.503	0.869	1.486	120.4	5.045	1.265	1.673	1105	1	30.60	0.725
B Fr.	1.642	2.841	4.856	393.3	16.49	4.133	5.468	3611	3.268	100.	2.369
ECU	0.693	1.199	2.049	166.0	6.958	1.744	2.308	1524	1.379	42.20	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FORWARD RATES AGAINST STERLING

	Spot	1 mth	3 mths	6 mths	12 mths
US Dollar	1.7305	1.7224	1.7076	1.6893	1.6615
D-mark	2.9575	2.9525	2.9402	2.9285	2.9082
French Fr.	10.045	10.026	9.9910	9.9505	9.8845
Swiss Fr.	2.5106	2.5040	2.4976	2.4821	2.4494
Yen	239.50	238.77	237.34	235.48	231.80

MONEY MARKETS

Base rates 11½%

WHOLESALE INTEREST rates in London showed no sign of looking for the next cut in UK bank base rates yesterday.

Three-month sterling interbank rose to 11⅜-11¼ from 11 7/16-11 5/16, amid muted reaction to the Bank of England's decision to sanction a cut of ½ point to 11½ per cent in base rates. One-year money firmed to 11⅛-11 from 11 1/16-10 15/16 per cent.

There was little surprise when the the Bank of England signalled the move by cutting ½ point off its bill dealing rates when offering an early round of assistance to the London money market. Clearing banks immediately responded with a similar reduction in base rates.

Short sterling traded actively on Liffe, but gave no indication that cash rates are likely to fall again before delivery of the June contract. June delivery opened little changed at 88.82, but this was the day's high. It closed at 88.78 compared with 88.81 previously, pointing to an interbank offered rate of about 11¼ per cent for three-month funds at delivery.

The Bank of England found no reason to warn against any further early cut in rates. This was the first Friday since the previous cut on April 12 that the central bank did not provide loans to the market for at least seven days.

Day-to-day credit was in exceptionally short supply as the market repaid seven and 14-day loans from the authorities. The Bank of England initially forecast a shortage of £2,000m, but revised this to £1,950m at noon. Total assistance of £1,964m was provided.

In early operations the authorities bought £167m bills outright, by way of £6m bank bills in band 1 at 11⅜ per cent and £161m bank bills in band 2 at 11 5/16-11 9/32 per cent. Before lunch another £1,308m bills were purchased, via £20m bank bills in band 1 at 11⅜ per cent and £1,288m bank bills in band 2 at 11 5/16-11 9/32 per cent.

In the afternoon £489m bills were bought, through £176m bank bills in band 1 at 11⅜ per cent and £313m bank bills in band 2 at 11 5/16 per cent.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £2,976m, with a rise in the note circulation absorbing £625m, and bank balances below target £115m. These outweighed exchequer transactions adding £1,725m to liquidity.

UK clearing bank base lending rate 11.5 per cent from May 24, 1991

FT LONDON INTERBANK FIXING

(11.00 a.m. May 24) 3 months US dollars: bid [illegible] offer [illegible]; 6 months US Dollars: bid [illegible] offer [illegible]

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

LONDON MONEY RATES

[illegible]

FINANCIAL FUTURES AND OPTIONS

[illegible]

Previous day's open int: Calls 409,845 Puts 335,380 (All currencies)
Previous day's volume: Calls 16,170 Puts 27,357 (All currencies)

■ Data for the Matif tables were not available for this edition.

BANK RETURN

BANKING DEPARTMENT	Wednesday May 22, 1991 £		Increase or decrease for week £
LIABILITIES			
Capital	14,553,000		
Public Deposits	56,835,259	-	6,814,241
Bankers Deposits	1,848,342,808	+	156,655,054
Reserve and other Accounts	3,276,552,990	+	457,737,153
	5,196,284,057	+	607,577,966
ASSETS			
Government Securities	1,469,103,716	+	137,855,000
Advance and other Accounts	3,250,015,422	+	485,894,634
Premises Equipment & other Secs	473,071,823	-	10,282,407
Notes	3,878,782	-	5,896,613
Coin	214,314	+	9,352
	5,196,284,057	+	607,577,966
ISSUE DEPARTMENT			
LIABILITIES			
Notes in circulation	15,856,121,218	+	235,896,613
Notes in Banking Department	3,878,782	-	5,896,613
	15,860,000,000	+	230,000,000
ASSETS			
Government Debt	11,015,100		
Other Government Securities	10,708,309,871	-	70,806
Other Securities	5,140,675,029	+	230,070,806
	15,860,000,000	+	230,000,000

BASE LENDING RATES

	%		%		%
ABN Bank	11.5	Comm.Bk.of London Plc	11.5	McDonnell Douglas Bnk.	11.5
Adam & Company	12	Co-operative Bank	11.5	Midland Bank	11.5
Allied Trust Bank	12	Coutts & Co	11.5	Mount Banking	12
AIB Bank	12	Cyprus Popular Bk	12	Nat. Bk. of Kuwait	13½
● Henry Ansbacher	12	Dunbar Bank PLC	12	NatWestminster	11.5
B & C Merchant Bank	11.5	Duncan Lawrie	12	Northern Bank Ltd	12
Bank of Baroda	12	Equatorial Bank plc	12	Nykredit Mortgage Bank	12½
Banco Bilbao Vizcaya	11.5	Exeter Bank Limited	12½	Provincial Bank PLC	14
Bank Credit & Comm	12	Financial & Gen. Bank	12	Roxburghe Bank Ltd.	13
Bank of Cyprus	12	First National Bank Plc.	15	Royal Bk of Scotland	11.5
Bank of Ireland	11.5	● Robert Fleming & Co.	11.5	● Smith & Williamson Secs.	12
Bank of India	12	Robert Fraser & Ptnrs.	12½	Standard Chartered	11.5
Bank of Scotland	12	Girobank	11.5	TSB	11.5
Banque Belge Ltd	12	● Guinness Mahon	12	Unibank plc	11.5
Barclays Bank	12	● Hambros Bank	11.5	● United Bk of Kuwait	12
Benchmark Bank	12	Hampshire Trust Plc	13½	United Mizrahi Bank	12½
Brit Bk of Mid East	12	Heritable & Gen Inv Bnk.	12	Unity Trust Bank Plc	11.5
● Brown Shipley	12	● Hill Samuel	11.5	Western Trust	12
CL Bank Nederland	11.5	C. Hoare & Co.	12	Westpac Bank Corp.	12
● Charterhouse Bank	11.5	Hongkong & Shanghai	12	Whiteaway Laidlaw	11.5
Citibank NA	12	● Leopold Joseph & Sons	12	Yorkshire Bank	11.5
City Merchants Bank	12	Lloyds Bank	11.5		
Clydesdale Bank	11.5	Meghraj Bank Ltd	12		

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKET FUNDS

Money Market Trust Funds

Money Market Bank Accounts

[illegible]

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 535(2) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. ♦ Bargains done the previous day.

British Funds, etc
No. of bargains included 1643

Exchequer 10½% Stk 2005 – £101⅝ (20My91)
Guaranteed Export Finance Corp PLC 12⅞% Gtd Ln Stk 2002(Reg) – £111½ ⅝

Corporation and County Stocks
No. of bargains included 3

Electricite de France 12⅞% Gtd Ln Stk 2008(Reg) – £111½ (17My91)
11¾% Gtd Ser Ln Stk 2009/12(Reg) – £106⅝ ¾ (20My91)
European Investment Bank 9% Ln Stk 2001 (Reg) – £89½‡
9% Ln Stk 2001 (Br£5000) – £88½ (20My91)
9½% Ln Stk 2009 – £89⅝ ¾ ⅞
10⅝% Ln Stk 2004(Reg) – £96⅝
11% Ln Stk 2002(Reg) – £100½ ¾ ⅞
Gibraltar (Government of) 11⅝% Ln Stk 2005 (Reg) – £101½ (22My91)

RULE 535 (4) (a)

Bargains marked in securities where principle market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Aust. Foundation Inv 85
Aust. Oil & Gas A$0.506
Boral Ord A$3.7
Bukit Sembawang £1.62 (22/5)
Community Psychiatric Centers $31.75 (17/5)
Dainippon Screen Manufacturing Y1649 (22/5)
Elec & Eltek Co HK$0.485
Energy Res. Aust. Class A A$1.43♦
Idaho Power Co $25.8761♦ (20/5)
Keystone International $28.8164♦ (20/5)
Kulim Malaysia Ord 28 (22/5)
Lauter International $12.599♦ (20/5)
Malaysian Plantations 13
Mount Martin Gold Mines A$0.412 (22/5)
Noranda C$17.755♦ (22/5)
Oil Search 20
Overseas Chinese Banking Corp S$11.49 (22/5)
Playmates Hldgs HK$5.273 (17/5)
Portman Mining A$0.823 (17/5)
Regal Intl. HK$1.4925, 1.485 (21/5)
Selangor Coconuts M$1.90, 2.1026 (21/5)
Selangor Properties S$1.05 (17/5)
Sensormatic Electronics £11.725 (17/5)
Singapore Land S$6.575
Storer Communications $K350
Strategic Minerals Corp A$0.1686 (21/5)
Teck Corp 'A' C$22.15 (21/5)
Winsor Industrial HK$8.9 (20/5)
Wooltru Class 'A' R78 (22/5)

By Permission of the Stock Exchange Council

LONDON STOCK EXCHANGE

Rate cut fails to inspire share prices

THE HALF-POINT cut in UK base rates unveiled yesterday morning proved to have been only too well discounted in the London stock market and did little to ease the City's concern over the recessionary pressures on British industry. Although share prices ended above the day's lows, the mood was depressed at the close by nervousness ahead of publication after market hours of the latest survey of business opinion by the Confederation of British Industry.

The stock market took the view that share prices will now remain vulnerable to bad news from the corporate sector as the recession in the UK economy continues to hurt. Equity traders reported that some sizeable lines of stock came on offer yesterday, with the building and construction sector reacting sharply to bearish news from the annual meeting of shareholders of RMC, one of the largest firms in the industry.

Account Dealing Dates		
*First Dealings:		
Apr 29	May 20	Jun 3
Option Declarations:		
May 16	May 30	Jun 13
Last Dealings:		
May 17	May 31	Jun 14
Account Day:		
May 28	Jun 10	Jun 24

*New-time dealings may take place from 8.30 am two business days earlier.

In gilt-edged, prices gave ground as the sector remained nervous in the face of the US Treasuries sector. Losses were trimmed before the close, however, leaving the longer dates with net losses of around half a point.

Share prices opened lower as the market backed away from the latest public opinion polls which indicated increasing support for the opposition Labour Party. Share prices steadied briefly following the Bank of England's move to cut base rates to 11½ per cent but then turned down smartly as the first reports from the RMC meeting appeared on the trading screens; some analysts suggested that the market had overreacted to the RMC warning on profits.

The sudden drop in the market caught out at least one leading brokerage house which was trying to unload stock in the textile and paper sectors. At worst, the FT-SE Index was down by more than 22 points before it steadied at 2,460.

The rally was helped by a steady opening on Wall Street and with both London and New York heading into extended weekend holidays, trading quietened down. The final reading put the FT-SE Index at 2,471.1 for a loss on the day of 11.7 points.

The Footsie Index has gained 17.1 this week, which is the first leg of the trading account, as the market sensed yesterday's cut in base rates.

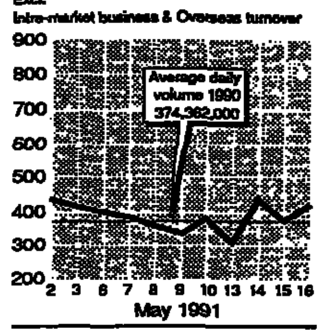
Seaq volume increased to 436.9m shares from the previous day's total of 422.2m. Traders noted that trading in the non-Footsie stocks continued to move higher as profits were taken.

Equity strategists now believe that it may be some time before base rates are cut again and the government's poor showing in the public opinion polls implies that political factors may hang over an unsettled equity market for the rest of the summer

● **Trading volume began to rise towards the end of the week, moving above last year's daily averages as equity investors sensed the impending cut in domestic base rates.**

London SE volume

Turnover by volume (million)
Excl:
Intra-market business & Overseas turnover



RMC hit by profit warning

A BUILDING sector hit in the past couple of months by a succession of rights issues absorbed another significant blow yesterday when RMC, one of the leading UK building materials groups, warned that its profits for the first half would be "significantly lower" than those for the same period last year.

Share prices throughout the list of stocks involved in heavy building materials fell sharply, but none more so than RMC whose shares dropped from an initially firm level of 661p to 620 at one point. Later they rallied to close a net 24 off at 63?p. Turnover in the stock totalled 1m shares, well up on usual levels.

RMC's chairman, Mr John Camden, told the RMC annual meeting that profits had been hit badly by the continuing recession in the UK building and construction industry and by what he described as the first normal winter in the UK for some years.

Many analysts were surprised at the extent of the fall in the RMC share price. "Much of this news has already been discounted by the market," said the building team at Robert Flemings, who reduced their current year forecast to £180m and that for next year to £200. But Mr Robin Hardy, building specialist at Panmure Gordon, who lowered his 1990 figure from £195m to £187m and that for next year from £210m to £200m, said the heavy end of the building materials market had been much more depressed than everybody had expected.

Redland were also hit by the news, sliding to 552p before rallying to lose a net 7 off at 558p. Tarmac fell to 235p, prior to ending the session a net 7 down at 239p.

Coats sold

A large placing of Coats Viyella by agency broker James Capel went through without badly affecting the price - Coats eased a penny to 144p and analysts said it was an indicator of support in the market. Capels sold on behalf of one institution and placed with eight others in less than half an hour. A total of 14m shares were traded, the majority in three large blocks - all sold at 142p.

The breweries gained from a trickle of comforting results and the analysts support that followed.

Glaxo strong

Glaxo moved up sharply after one securities house changed its recommendation on the stock and closed 26 better at 1163p on a turnover of 2.1m.

It languished around 10 lower in the morning but BZW changed its stance to "short-term buy" and the shares ticked up in the afternoon. They were further helped by a market rumour, dismissed by BZW, that the investment house was holding a presentation in the US.

BZW said its increased optimism was based on a forthcoming psychiatric conference in Italy. It said Glaxo was to strongly argue the case for extended use of Zofran, a drug which prevents the nausea and vomiting associated with chemotherapy.

A review of ICI by UBS Phillips and Drew raised questions about the downside of the group's pharmaceutical sector and helped to push the stock down 6 to 1240p. Analyst Mr Martin Hall said the potential loss of revenue caused by the patent expiry of two drugs would outweigh new product growth and a new co-marketing arrangement.

Transport Development closed 6 higher at 260p on 3.8m following news that Proventus of Sweden had raised its stake by 2.5 percentage points to 18.5 per cent.

MEPC was under pressure ahead of its interim results on Wednesday. The shares closed 4 lower at 495p on nervousness following the larger-than-expected decline in Land Securities' asset value earlier in the week. Mountleigh was supported on continuing speculation that The Gordon P. Getty Family Trust was picking up stock. The share closed unchanged at 75p as 1.4m changed hands.

BP emerged as the most active stock in an otherwise routinely traded oil sector; some 7.6m BP changed hands as old stories that BP was about to exercise an option on up to 15 per cent of Petromed, the Spanish refining business were revived. The Petromed takeover story first emerged last month and was revived yesterday as dealers linked the Petromed suggestions with more recent talk that a BP rights issue could be on the cards.

British Gas drifted back 2¼ to 242¼p ahead of next Thursday's preliminary figures which Hoare Govett estimates will come out showing earnings of £1.2bn.

Water shares were persistently sold and fell away after news that Mr Ian Byatt, director-general of OfWat, the water industry watchdog, had warned the water companies about excessive profits and dividends. There was heavy turnover in the sector, much of it concentrated in Anglian, North West and Yorkshire.

The Water Package, which continues to suffer from institutions unbundling the units and reinvesting the proceeds in the more marketable issues, fell 22 to £3013.

The electricity distribution stocks took a breather after their strong performances in recent weeks; the second round of preliminary bidding for the two Scottish generators, which are soon to be privatised, gets underway on Tuesday. Dealers are expecting a good response for the stocks.

The long-awaited bid for SD-Scicon, the troubled computer services group, arrived with Cray Electronics the predator. SD-Scicon shares settled 3¼ higher at 40p on the news. Cray Electronics, however, ran back to close 4 off at 72p.

Traders said buying by a US investment bank prompted a jump in Reuters of 10 to 860p on above average turnover of 1.8m. Broker Henderson Crosthwaite said a recent re-evaluation of the company that it had sent to clients was still having an impact.

The breweries gained from a trickle of comforting results and the analysts support that followed.

Wolverhampton & Dudley picked up 13 to 493p on what Mr Mike McCarthy of securities house Smith New Court said were "excellent results ahead of our forecasts which were at the top of the range." Whitbread continued firmer following satisfying results earlier in the week, ending 7 up at 493p. Young, the London brewer, gained 28 to 468p the day after posting a 9 per cent boost in annual profits to £5.03m and an 18 per cent rise in earnings per share. Bass, whose profit fall had been discounted in the market well before the results were announced, picked up 5 to 976p. Securities house BZW changed its recommendation from a hold to buy.

Kingfisher closed 11 lower at 473p as speculation persisted that a convertible bond issue may be pending. The shares have fallen back this week on talk that the company may tap the Eurobond market with a convertible capital bond of at least £100m.

Mr Robert Maxwell's Mirror Group Newspapers - floated on the market last week at 125p - drifted as disappointed investors continued to sell out. However, the stock found support later and closed only half a penny down at 118½p after being 2 down earlier. Reed International lost 11 to 408p after two blocks of 1.7m shares were sold at 400p.

Central ITV slipped 8 to 635p after announcing a 29 per cent slump in profits, down from £27m to £19.2m.

Laporte, the speciality chemicals group which is 25 per cent-owned by Solvay of Belgium, slipped sharply to close 22 down at 533p after securities house Hoare Govett cut its profit forecasts for the company. Hoare reduced its 1991 estimate by £12m to £105m and its 1992 figure by £13m to £130m.

Attwoods, the international waste management group, lost 9 to 228p after a placing equivalent to 5m shares in the United States.

■ Other market statistics, including the FT-Actuaries Share Indices and London Traded Options, Page 9.

NEW HIGHS AND LOWS FOR 1991

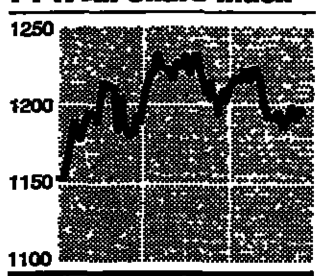
NEW HIGHS (93).
BRITISH FUNDS (9) Treas. 10pc Cnv. 1991, Treas. 10pc 1992, Treas. 8¾pc 1993, Fd. 6pc Ln. 1993, Treas. 2pc IL 1992, Treas. 2pc IL 1994, Treas. 2½pc IL 2001, Treas. 2½pc IL 2003, Treas. 2pc IL 2006, BANKS (1) Brown Shipley, BREWERS (3) Macdonald Martin A, Young A, Do. NonVtg. A, BUILDINGS (1) Tudor, CHEMICALS (3) Caird, Do. 7p Cnv. Prf. 2009, Cambridge Isotope Labs., Halstead (J), Plysu, STORES (9) Dixons (Net) Cm. Prf., Essex Furniture, Fine Art Devlps., OS, Ritz Designs, Sherwood, ELECTRICALS (3) British Telecom., Butler Cox, Lexicon, ELECTRICITY (2) Manweb, Sthn. Western, ENGINEERING (1) Victaulic, FOODS (3) BSR, Iceland Frozen, Watson & Philip, INDUSTRIALS (11) Assoc. Brit. Ports, Astra AB A, Bodycote, Boxmore, Colorgen, Cooper (A), Daimler-Benz, Esselte AB, Glaxo, Macarthy, Quotient, LEISURE (1) Intl. Resort, PAPERS (1) Dudley Jenkins, TRANSPORT (1) Bergesen d-y AS A, TRUSTS (13) Alex, Gartmore Amer. Zero Prf., I & S Opprty. Inc. Zero Prf., Latin Amer., Law Deb., Mezzanine C & I, Personal Assets, River & Merc. Stppd. Prf., Rights & Issues Inc., River Plate Zero Prf., TR Technlgy. Zero Prf., Tor Inc., OILS (1) New London, MINES (1) Precious Metal Asst.

NEW LOWS (33).
BREWERS (1) Merrydown Wine, BUILDINGS (6) Bailey (B), Hewetson 7pc Prf., NSM, Prowting, Westbury, Westminster Scffdg., STORES (2) Gent (SR), Upton & Sthn., ELECTRICALS (1) Hicare, ENGINEERING (1) Maganese Bronze, FOODS (1) RHM, INDUSTRIALS (4) BLP, Courtney Pope, Gestetner, Pilkington Wrrnts., INSURANCE (1) Sturge, LEISURE (6) Anglia TV, Grampian TV A, HTV, Quadrant, TVS Ent., TV-am, PROPERTY (3) Clayform, Peel, Trencherwood, OILS (2) Aviva, Sovereign, MINES (3) Cluff Res., Do. Wrrnts., Eglinton Expr. Wrrnts., Geevor, Placer Pac.

RISES AND FALLS YESTERDAY

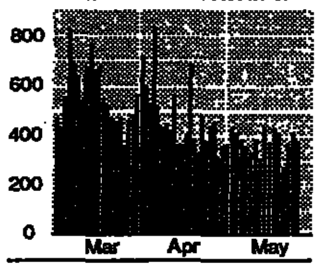
	On Friday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	12	65	7	248	92	80
Corps, Dom. & Foreign Bonds	0	0	20	16	7	77
Industrials	182	382	965	1,257	1,481	4,907
Financial and Props	55	179	502	551	616	2,529
Oils	8	38	47	89	125	251
Plantations	0	0	10	5	1	44
Mines	24	29	109	188	161	465
Others	20	93	58	218	271	364
Totals	301	786	1,718	2,572	2,754	8,717

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding:
Intra-market business & Overseas turnover



FINANCIAL TIMES STOCK INDICES

	May 24	May 23	May 22	May 21	May 20	Year Ago	1991 High	1991 Low	Since Compilation High	Since Compilation Low
Government Secs	84.24	84.47	84.48	84.37	84.18	78.25	85.88 (19/2)	82.17 (2/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	93.41	93.46	93.49	93.41	93.36	87.08	94.84 (5/4)	90.59 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary Share ●	1932.5	1945.4	1933.4	1942.5	1927.3	1800.0	2014.5 (5/4)	1608.3 (16/1)	2014.5 (5/4/91)	49.4 (26/6/40)
Gold Mines	165.9	164.4	165.9	159.2	156.4	211.2	179.7 (14/1)	127.0 (22/2)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2471.1	2482.8	2465.9	2482.7	2468.6	2265.6	2545.3 (5/4)	2054.8 (16/1)	2545.3 (5/4/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1165.34	1168.06	1165.21	1162.66	1154.43‡	-	1176.39 (15/4)	938.62 (16/1)	1176.39 (15/4/91)	938.62 (16/1/91)
●Ord. Div. Yield	4.94	4.92	4.95	4.93	4.95	5.11				
●Earning Yld %(full)	8.67	8.59	8.65	8.64	8.69	11.56				
●P/E Ratio(Net)(☆)	14.20	14.33	14.23	14.30	14.22	10.46				
SEAQ Bargns 4.45pm	25,274	24,000	27,335	26,178	24,575	25,638				
Equity Turnover(£m)†	-	830.41	889.24	738.79	573.64	849.99				
Equity Bargains†	-	23,253	27,344	25,526	24,468	28,295				
Shares Traded (ml)†	-	373.4	407.0	371.5	278.8	371.5				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 26/10/90. ☆ Nil 13.62 ‡ Indicative

Ordinary Share Index, Hourly changes — Day's High 1944.4 — Day's Low 1926.1

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1944.4	1938.1	1941.4	1937.4	1929.7	1926.8	1927.8	1929.5	1930.8

FT-SE 100, Hourly changes — Day's High 2482.0 — Day's Low 2460.1

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2482.0	2473.5	2477.8	2473.1	2462.7	2460.8	2462.4	2464.8	2469.7

FT-SE Eurotrack 200, Hourly changes . Day's High 1168.50 — Day's Low 1162.58

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
1168.12	1165.82	1167.49	1165.05	1164.71	1165.14	1164.37

GILT EDGED ACTIVITY

Indices*	May 23	May 22
Gilt Edged Bargains	75.4	91.2
5 – Day average	89.4	93.4

*SE Activity 1974.
†Excluding intra-market business & Overseas turnover.

London report and latest Share index: Tel. 0898 123001

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
ADT	2,300	71	+½	Dalgety	311	368		Manpower	574	71		Slough Ests	225	245	
ASDA Group	1,600	109	-2	De La Rue	109	367		Manweb	285	262	-2	Smith (W.H.) A	638	393	-1
Abbey National	1,900	278	+1	Dixons	1,700	201	-1	Marks & Spencer	3,300	249	-3	Smith & Nephew	4,200	125½	-1
Albert Fisher	1,700	118	-1	ECC Group	282	414	-5	Maxwell Comms.	118	216		SmKl Beecham	711	792	+8
Allied-Lyons	2,000	545	-7	Eastern Elect.	354	194	-3	Midland Bank	2,300	213	+2	SmKl Beecham Uts.	24	3425	+12
Amstrad	1,700	64	-1	East Midland Elect.	180	217	-2	Midlands Elect.	288	212	-2	Smiths Inds.	695	249	-4½
Anglian Water	598	301	-2	Enterprise Oil	1,000	682	-8	NatWest Bank	1,600	320	-2	Southern Elect.	329	215	-3
Argos	143	315	-2	Eurotunnel Units	110	475	+10	National Power	4,700	140½	-½	South Wales Elect.	73	266	-3
Argyll Group	1,800	294	-1	FKI	44	56		Next	549	25½		South West Water	675	292	-3
Ass. Brit. Foods	147	520	-1	Ferranti	2,800	10	-1	North West Water	1,300	303	-3	South West. Elect.	378	219	-1
BAA	506	429	-4	Fisons	1,100	472½	-2	Northern Elect.	93	217	-3	Southern Water	954	269	-4
BAT Inds.	1,760	692	-5	Gen. Accident	289	534	-3	Northern Foods	1,000	441		Standard Chartd.	725	371	+8
BET	664	180		General Elect.	4,800	195	-3	Norweb	232	219	-4	Storehouse	1,100	99	-2
BICC	624	428		Glaxo	2,100	1163	+26	Pearson	193	781	+1	Sun Alliance	669	358	-6
BOC	1,500	536	-10	Glynwed Int.	1,500	235	+2	P & O	606	586	-4	T&N	459	161	-1
BPB Inds.	250	208	-2	Granada	178	186		Pilkington	2,000	173	-3	TI Group	442	482	-3
BTR	1,600	368	+1	Grand Met.	978	777		PowerGen	3,700	145		TSB	3,300	153	
Bank of Scotland	1,600	105		GUS A	482	1218	+10	Prudential	3,100	224	+1	Tarmac	1,100	239	-7
Barclays	1,500	432		GRE	2,530	208	-2	RHM	722	282	-6	Tate & Lyle	293	355	-5
Bass	1,000	976	+5	GKN	683	342	-3	RMC	1,000	637	-24	Taylor Woodrow	510	229	-6
Beazer	1,400	193	-2	Guinness	1,800	934	-4	RTZ	3,100	518	-7	Tesco	2,100	260	-3
Berisford Int.	2,000	39	+½	Hammerson 'A'	37	627	+3	Racal	3,400	227	+3	Thames Water	770	307	-3
Blue Circle	2,600	243	-5	Hanson	6,900	213	+1	Racal Telecom	432	378	+2	Thorn EMI	95	713	
Boots	1,300	369	-5	Hanson Warrants	347	38½	+½	Rank Org.	1,200	682	-2	Trafalgar House	4,600	237	-3
Bowater	180	583	-5	Harrisons Crosfield	976	143	-6	Reckitt & Colman	213	1489	+5	Trusthouse Forte	1,200	269	-1
Brit. Aerospace	1,900	602	-1	Hawker Sidd.	208	580	-2	Redland	612	558	-7	Ultramar	314	309	-3
British Airways	1,400	161		Hillsdown	678	220	-5	Reed Intl.	4,800	408	-11	Unigate	250	269	-2
British Gas	4,900	242½	-2½	IMI	673	232		Reg. Elect. Pkg Uts	7	£2205	-28	Unilever	1,200	737	-1
British Land	255	279		ICI	1,400	1240	-6	Rentokil	1,000	284	-1	United Biscuits	677	363	-3
BP	7,600	320	-2	Inchcape	143	395	-3	Reuters	1,300	860	+10	Utd. Newspapers	774	344	-4
British Steel	2,800	128½	-1	Kingfisher	1,000	473	-11	Rolls Royce	2,500	151	-3½	Water Package Uts.	1	£3013	-22
British Telecom	8,100	378	-5½	Ladbroke	918	284	-3	Rothmans	117	867	-8	Wellcome	833	800½	-7½
Bunzl	2,000	69	-1	Land Securities	1,200	514	-3	Ryl Bk Scotland	890	178	+2	Welsh Water	719	330	-2
Burmah Castrol	189	553		Laporte	590	533	-22	Royal Insurance	863	432	-4	Wessex Water	398	325	-6
Burton	2,700	75	-2	Legal & General	869	420	-3	Saatchi	8,300	18½	+¼	Whitbread 'A'	831	493	+7
Cable & Wire.	1,600	502	-9	Lloyds Abbey	823	381	-3	Sainsbury	1,000	373	-4	Wiggins Teape	552	239	+2
Cadburys	1,000	380	-5	Lloyds Bank	2,580	339	-3	Scottish & New.	1,400	388	-6	Williams Hldgs.	778	286	-2
Calor Group	29	202	-4	LASMO	2,000	325	-8	Sears	1,200	81	-1	Willis Corroon	543	287	-5
Carlton Comms.	78	440	-6	London Elect.	841	211	-2	Sedgwick	442	245	+1	Wimpey	333	202	-3
Coats Viyella	14,000	144	-1	Lonrho	1,700	249	-5	Seeboard	32	212	-2	Yorkshire Elect.	28	244	-3
Comm. Union	759	488	-2	Lucas	987	155	-3	Severn Trent Water	1,200	284	-2	Yorkshire Water	2,600	328	-2
Cookson	8,700	118	-6	MB Caradon	502	222	+1	Shell Transport	4,800	502	-3				
Courtaulds	532	389	-4	MEPC	1,000	495	-4	Siebe	323	392	-3				

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm.

EQUITY FUTURES AND OPTIONS TRADING

UNCERTAINTY over the UK domestic political outlook depressed equity futures yesterday as dealers responded to opinion polls which gave the Labour party a clear lead over the Conservatives.

For much of the session, the June FT-SE 100 index contract traded at a narrow premium to the spot FT-SE index. This was in spite of a 0.5 percentage point reduction interest rates.

There was some disappointment that rates had not been reduced by a full point. But the growing importance of political factors weighed more heavily on sentiment.

June FT-SE closed at 2,481, down 14 points, above the lows of the day following some late position squaring ahead of the holiday weekend. June's premium to the spot FT-SE index ended at fair value of 10 points.

In traded options, Hanson was an active market ahead of the expiry of May stock options later next week. A seller of 1,000 August 220 calls boosted turnover and this deal was matched with a buyer of 725 contracts in that series.

A total of 4,411 Hanson options changed hands, equivalent to 4.4m shares. The underlying securities closed a penny firmer at 213p.

British Telecom remained an active market following its better-than-expected final results. The August 390 calls were particularly active. BP July 300 calls also featured.

LEADERS AND LAGGARDS

Percentage changes since December 31 1990 based on Thursday 23 April 1991

Chemicals	+	30.68	Electronics	+	16.05
Telephone Networks	+	30.55	Stores	+	15.28
Health & Household	+	29.23	Transport	+	15.14
Textiles	+	28.98	Contracting,Construction	+	14.95
Packaging, Paper & Printing	+	27.69	Capital Goods	+	14.94
Electricals	+	25.18	Insurance(Life)	+	13.87
Electricity	+	24.01	Brewers and Distillers	+	13.41
Other Groups	+	23.34	Food Manufacturing	+	12.40
Business Services	+	22.95	Water	+	12.13
Investment Trusts	+	20.96	Financial Group	+	12.05
Food Retailing	+	20.47	Metals & Metal Forming	+	10.40
Engineering-General	+	19.96	Insurance(Composite)	+	10.30
Other Industrial Materials	+	19.27	Motors	+	9.96
Industrial Group	+	19.21	Building Materials	+	9.04
Merchant Banks	+	18.84	Hotels & Leisure	+	7.45
Media	+	18.51	Engineering-Aerospace	+	7.26
Consumer Group	+	18.39	Gold Mines Index	+	6.34
Banks	+	17.79	Insurance(Brokers)	+	4.04
500 Share Index	+	16.65	Oil & Gas	+	1.87
All Share Index	+	16.13	Property	+	0.29
Conglomerates	+	16.06			

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
UK GILTS		13.500	09/92	103-24	-01/32	10.34	10.53	10.64
		9.000	03/00	92-21	-09/32	10.29	10.33	10.12
		9.000	10/08	91-04	-14/32	10.09	10.11	9.84
US TREASURY *		8.000	05/01	99-13	+02/32	8.09	8.15	8.12
		8.125	05/21	99-02	+00/32	8.30	8.37	8.27
JAPAN	No 119	4.800	6/99	88.2416	-0.242	7.09	7.02	7.12
	No 129	6.400	03/00	98.4458	-0.301	6.68	6.62	6.74
GERMANY		9.000	01/01	104.0500	-	8.35	8.41	8.41
FRANCE	BTAN	9.000	02/96	99.9712	+0.036	8.98	8.92	9.08
	OAT	9.500	01/01	103.2400	+0.160	8.97	8.84	8.86
CANADA *		9.750	06/01	100.9000	+0.050	9.61	9.63	9.63
NETHERLANDS		8.500	03/01	99.4300	+0.090	8.58	8.64	8.56
AUSTRALIA		13.000	07/00	113.6703	-0.385	10.62	10.56	10.94
BELGIUM		10.000	08/00	104.8500	-	9.18	8.98	8.95

London closing, *denotes New York morning session
Yields: Local market standard — *Prices: US, UK in 32nds., others in decimal*

Technical Data/ATLAS Price Sources

APPOINTMENTS

Managing directors at Daiwa

■ **Mr Katsunari Rembutsu** and **Mr Alan Hollingsworth** have been appointed managing directors of DAIWA EUROPE BANK. Mr Rembutsu was managing director of Daiwa Securities, Hong Kong. Mr Hollingsworth has been an executive director of the bank since 1987. **Mr Fumio Ishihara**, a deputy general manager with Daiwa Securities, Tokyo, has been appointed an executive director.

■ **Mr Graham Brooks** has been appointed chairman of STARKSTROM (SCOTLAND), *relinquishing his additional* post as managing director.

■ WILSONS, a Salisbury law firm, has recruited **Mr John Emmerson** and **Mr Peter Lawson** from the City of London firm McKenna & Co where they are partners specialising in private client practice. McKenna will cease offering this service from July 1 when Mr Lawson and Mr Emmerson join Wilsons.

■ **Mr Tony Crew**, managing director of Mann & Co South East, has joined the board of HAMBRO GUARDIAN MORTGAGE SERVICES.

■ GRANVILLE HOLDINGS has made the following promotions: **Mr James Baker** to director; **Mr Mark Andrews, Mr David Hemmings, Mr Keith Hunt, Mr Kieran McCann** and **Mr Andrew Nalder** to assistant directors.

■ **Mr Julian Tyson-Woodcock** has been appointed secretary of the *INSURANCE* INSTITUTE OF LONDON in place of **Mr Philip Roberts-West**, who leaves to become director of finance and administration of the *CHARTERED INSURANCE* INSTITUTE.

■ THEODORE GODDARD, a City law firm, has appointed **Mr Simon Holmes** as a partner in its commercial department. He was with Clifford Chance.

■ **Mr Mike Handley**, managing director of RHM Bakeries, has been *elected president of the* ASSOCIATION INTERNATIONALE DE LA BOULANGERIE INDUSTRIELLE, EC representative body for national plant bakery associations.

Mr David Rowan *(pictured)* has been appointed manager of Professionals Direct, Sheffield, NORWICH UNION's dedicated unit servicing accountants and solicitors. He was customer services manager, and succeeds **Mr Andrew Peet** who has been promoted to business administration manager.

■ CECIL M. YUILL INVESTMENTS, Hartlepool, has appointed **Mr Maurice Drabble, Mr Philip Darcy** and **Mr Peter Prateley** as directors. **Mr Phillip Yuill** becomes group managing director, and chairman of three subsidiaries: Cecil M. Yuill, Throston, and *Mowden Park. Mr Darcy takes* over as managing director of Cecil M. Yuill, where **Mr Tim Bates** has been promoted to finance director, and **Mr Bill Bosomworth** to construction director. Mr Drabble becomes responsible for group land development. Mr Prateley joins the group board from Blue Circle Industries where he was *chief executive, home products* division.

■ CAUSEWAY CAPITAL has appointed **Ms Beth Sealy** as an investment manager. She joins from 3i where she was an investment controller.

■ VOLVO CONCESSIONAIRES, Marlow, *has appointed* **Ms Pat Doble** as marketing director. She joins from Mars Confectionery where she was a business sector manager.

■ WORCESTER GROUP has appointed **Mr A. Michael Davies** as a non-executive director. He is chairman of Calor Group, and deputy *chairman of TI Group.*

■ **Mr David L. Roberts** has been promoted to managing director of INFRARED ENGINEERING, Maldon. He was business development director, and succeeds **Mr Malcolm D. Nolan** who continues as chairman. **Mr David S. Briggs**, president of the US subsidiaries, joins the board, and **Professor James Ring**, a non-executive director, has retired.

■ **Sir Bryan Nicholson** is to be appointed a non-executive director of GKN from December 1. Sir Bryan has been chairman and chief *executive of the Post Office* since 1987.

■ **Mr Geoffrey K. Maddrell** has been appointed non-executive chairman of DOLPHIN MEDIA, Isle of Man. *He succeeds Mr R.T.D. Stott* who remains a non-executive director. **Mr I.C. Hayson** has resigned from the board.

■ **Mr Gerhard Kruessmann** *(pictured)* has become manufac*turing director of* WAVIN INDUSTRIAL PRODUCTS, the UK manufacturer of plastic pipe systems. Previously based at Wavin in Monheim, Germany, where he was plant manager, he takes over the post at Brandon, County Durham, vacated through **Mr Alan Whittle's** appointment as Wavin Group quality director.

■ **Ms Susan Moon** will cover Japanese corporate and leasing company relationships in Europe in the new MANUFACTURERS HANOVER European securitisation and securities finance department.

■ ABBEY NATIONAL has appointed **Mr Ian Treacy** as group secretary from July 1. **Mr John Ellis** will be retiring as general manager and company secretary on June 30.

COMMODITIES

WEEK IN THE MARKETS

Coffee and cocoa flirt with lows

COFFEE and cocoa have been flirting with fresh lows in London this week as the soft commodity markets show no sign of any upturn.

On Thursday the second position robusta coffee contract on the London Futures and Options Exchange (Fox) touched £515 a tonne during the day, equal to the 15-year low, before recovering slightly to close at £519 a tonne. Wednesday saw the second position cocoa contract touch £593 a tonne, the lowest level for 15¼ years, before recovering to close at £600 a tonne.

Behind the low prices in both markets lie large surpluses. This week's retreat in London has been mainly technical, with prices crashing through the bottom of the recent trading range. One trader summed the situation up on Tuesday: "The sheer weight of coffee is finally beginning to tell," he said.

Adding to that weight has been market talk that Sucre et Denrees, the French trade house, has been liquidating stocks, as well as talk about liquidation in London by a large commodity fund.

Arabica coffee in New York has also been following a downward slide. On Wednesday five contracts were at lifetime lows by midday. On at least two days this week the screen based Fox arabica contract has not been traded.

The appointment of a new director of coffee policy in Brazil, the world's biggest producer by volume, has done nothing to raise hopes that the country's policy on a new international agreement will be clarified. The consensus, both in Brazil and outside, is that the policy will not be made known at least until the September council meeting of the International Coffee Organisation.

LME WAREHOUSE STOCKS (Change during week ended last Friday) tonnes		
Aluminium	+6,225	to 380,775
Copper	−700	to 286,350
Lead	−800	to 73,350
Nickel	+282	to 8,130
Zinc	+1,400	to 120,025
Tin	+395	to 16,680

While prices continued on the downward path roasters appeared content to sit back and watch. But yesterday some profit taking appeared before the long weekend, and the second position robusta contract was £11 ahead at the close at £530 a tonne, a fall of £28 on the week.

The cocoa market "just seems to be having a rather dismal time," one London analyst said yesterday. The second position contract has struggled to stay above £600 a tonne. Yesterday July cocoa closed at £606 a tonne, up £6 on the day, but £3 down the week.

London broker GNI points out that the overall political situation in West Africa is declining rapidly as the effects of the Liberian civil war spread. The Ivory Coast, Ghana and Nigeria could all be sucked into a dispute of one kind or another.

The spread of the fungal 'witches broom' disease in Brazil, where 6m trees are said to be already infected, and recent news from Malaysia on the spread of the pod borer pest are also factors to set against the bears.

On the London Metal Exchange nickel has seen the most movement. Early in the week some dealers were saying that a breach of $8,300 a tonne for three-month metal would set prices on course towards support at $7,775 a tonne. By Wednesday's close three-month metal was $8,080 a tonne.

Thursday saw some of the losses regained in a technical bounce from an oversold position, and yesterday the bounce continued. Three-month metal closed at $8,260 a tonne, with cash at $8,270 a tonne, a fall of $80 on the week.

Mr Robin Bhar, base metals analyst with Carr Kitcat & Aitken, said the fall in nickel earlier in the week followed fund selling in a very thin market. The partial recovery over the past couple of days reflected short covering ahead of the Bank Holiday weekend, and ahead of the expiry of labour contracts at Inco's Sudbury facilities next week.

LME stocks of both aluminium and zinc reached record highs yesterday. Aluminium stocks rose by 6,225 tonnes to 380,775 tonnes, while zinc stocks jumped 1,400 tonnes to 120,025 tonnes.

Cash aluminium closed yesterday at $1,269.50 a tonne, a fall of $38.50 on the week. The announcement on Thursday that the damaged smelter owned by Albras will be back in full production by the end of June added to the bearish mood, although the metal produced there will not be of exportable quality until September.

Cash copper closed yesterday at £1,285.50 a tonne, up £7.50 on the week. Traders were cautious yesterday following news that an explosion had closed the main shaft at Codelco's El Teniente mine in Chile, the world's second biggest copper mine.

David Blackwell

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AUTHORISED UNIT TRUSTS

Abbey Unit Tst Mngrs (1000)H
80 Holdenhurst Rd, Bournemouth 0345 717373

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
High Income						
American Income	6	47.04	47.04xd	50.25	-0.25	6.91
Gilts & Fixed Int	6	112.6	112.6xd	119.4	....	9.63
High Inc Equity	6	135.8	139.7xd	148.6	+0.6	5.72
Worldwide Bond	6	202.6	202.6xd	214.7	-0.6	6.99
Capital Growth						
American Growth	6	192.1	192.1	205.4	-1.0	1.30
Asian Pacific	6	128.6	131.3	139.6	-0.6	.14
Assets & Earnings	6	172.7	176.6xd	187.8	....	3.16
Capital Reserve Acc	0	104.6	104.6	104.7	+0.1	7.25
Capital Reserve Inc	0	82.70	82.70xd	82.75	+0.04	7.25
Comdty & Energy	6	74.73	74.73xd	79.92	-0.61	.94
1992 Enterprise	6	64.13	64.13	68.58	-0.04	2.81
Euro Capital Acc	6	88.42	88.42	94.56	-0.02	1.43
Euro Capital Inc	6	84.48	84.48xd	90.35	-0.02	1.44
General	6	169.3	169.3xd	181.0	+0.4	2.76
Japan	6	100.1	100.1	107.0	-0.8	–
Mastertrust	6	89.20	89.20	95.40	-0.11	2.24
UK Growth Acc	6	160.0	160.0	171.1	-0.2	2.90
UK Growth Dist	6	102.8	102.8xd	109.9	-0.2	2.92
US Emerging Cos	6	64.04	64.04	68.49	+0.17	–
Income & Growth	6	297.2	297.2xd	317.8	+0.2	4.41
Ethical	6	50.25	50.25	53.74	+0.01	3.03
International	6	61.55	62.38	66.36	-0.29	1.51
Dividend & Growth	6	49.19	50.45	53.66	+0.02	5.59
Global Gwth & Sec	6	51.23	51.55	54.83	-0.01	1.82

Aberforth Unit Trust Managers Ltd (1600)F
16 Chester St, Edinburgh EH3 7RA 031 220 0733

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
UK Small Cos	0	969.00	969.00	1034.00	....	–

Abtrust Unit Trust Managers Ltd (1200)H
10 Queens Terrace, Aberdeen AB9 1QJ 0800 833580

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Amer Inc & Growth	5¼	29.56	29.56xd	31.39	-0.18	2.55
Cash	–	51.13	51.13	51.13	+0.01	12.06
European	5¼	72.61	72.61	77.09	+0.22	0.00
European Income	5¼	75.27	75.70xd	79.86	+0.08	1.34
Exempt	1	741.3	741.3xd	767.6	+1.2	5.35
Exempt Income	3¼	168.2	168.2	178.7	+0.8	4.74

Bishopsgate Progressive Mgmt Co (1200)F
15 St James' Place, London SW1A 1NW 071-493 8111

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Progressive Inc	5	19.14	19.14	20.20	....	1.09
Progressive Acc	5	28.84	28.84	30.44	....	1.09
International Inc	5	20.21	20.21	21.33	....	1.60
International Acc	5	26.86	26.86	28.35	....	1.60
Can & Foreign Inc	5	235.9	235.9xd	249.0	....	0.93
Can & Foreign Acc C	5	281.9	281.9xd	297.5	....	0.93
Special Sits Inc C	5	208.1	208.1	219.6	....	2.14
Special Sits Acc C	5	226.0	226.0	238.5	....	2.14
PEP Inc C	5	129.7	131.5	138.8	....	2.27
PEP Acc C	5	138.5	140.4	148.2	....	2.27
Growth Inc C	5	82.79	82.79	87.38	....	0.98
Growth Acc	5	83.13	83.13	87.74	....	0.98

Brewin Dolphin Unit Tst Mgrs Ltd (0905)F
5 Giltspur St, London EC1A 9DE 071-236 6441

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Dolphin Special Sits	5½	128.1	128.1	137.0	-1	3.74
Dolphin Dividend	5½	62.59	62.59	66.94	+0.06	6.05
Dolphin Int Inc & Gth	5½	158.1	158.1	169.0	-1	3.70
Dolphin UK & Gen	5½	32.64	32.64	34.90	+0.02	2.34
Dolphin Fund of Funds	5½	47.17	48.47	51.83	+0.23	2.89

Britannia Life Unit Managers Ltd (1200)F
190 West George St, Glasgow G2 2PA 041-332 3132

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Balanced Growth	6	74.24	74.24	79.40	-0.23	3.15
Do (Accum)	6	78.62	78.62	84.09	-0.24	3.15
Service Cos	6	62.11	62.11xd	66.43	-0.14	1.95
Do (Accum)	6	65.10	65.10	69.62	-0.15	1.95
Income Growth	6	45.93	45.93	49.12	-0.36	4.36
Do (Accum)	6	62.65	62.65	67.00	-0.50	4.36
Higher Yield	6	32.47	32.47	34.73	-0.15	4.49
Do (Accum)	6	40.69	40.69	43.52	-0.19	4.49
American Gth Inc	6	30.30	30.30	32.41	-0.06	1.51
Do (Accum)	6	30.88	30.88	33.02	-0.06	1.51
European Growth	6	26.23	26.23	28.05	+0.05	1.55
Do (Accum)	6	26.73	26.73	28.59	+0.05	1.55
Global Bond Inc	6	22.02	22.12xd	23.66	-0.07	6.28
Do (Accum)	6	25.71	25.83	27.62	-0.08	6.28
Managed P'folio Inc	6	24.55	24.64	26.35	-0.05	–
(Do Accum)	6	24.55	24.64	26.35	-0.05	–

Brown Shipley & Co Ltd (1000)F
9-17 Perrymount Rd Haywards Hth 0444 412262/3/4/5

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Mngd P'folio Inc	6	81.86	81.86	87.18	+0.13	2.39
Mngd P'folio Acc	6	148.8	148.8	158.5	+0.20	–
UK General	6	116.6	116.6xd	124.2	....	4.08
Conv & General	6	18.90	18.90	20.22	+0.02	9.41
European Inc	6	20.59	20.59	22.16	-0.01	0.51
European Acc	6	21.05	21.05	22.65	-0.01	–
Exempt	3	281.8	281.8xd	297.6	+0.90	4.95
Financial	6	111.5	111.5	118.7	-0.50	3.98

GA Unit Trust Mngrs Ltd (1000)H
4 Melville Crescent, Edinburgh 031 220 3946

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
C & A	5½	174.2	175.4xd	185.9	+0.3	4.84
Cash* &	1½	49.55	49.55	50.29	+0.01	11.43
Growth Portfolio	5½	46.94	46.94	49.76	-0.08	2.01
Income Portfolio	5½	48.37	48.37	51.27	-0.1	4.44

*C.A.R. – Compound Annual Rate

GT Unit Managers Ltd (1200)H
8th Floor, 8 Devonshire Sq, London EC2M 4YJ

MW Investment Managers Ltd (0659)F
46 Court St, Haddington, E. Lothian 062 082 5867

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
MW Joint Investors	0	1022.7	1022.7xd	1054.1	+3.0	4.74

Maldon Unit Trust Managers Ltd (1400)F
15 St. Botolph St, London EC3A 7EE 031 226 6066

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Maldon General	0	117.2	117.2xd	120.2	....	4.64

ManuLife Management Ltd (1200)H
St George's Way, Stevenage Dealings:071-256 5858

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Growth Units	5¼	130.6	131.7	140.1	....	3.79
Gilt & Fxd Int	5	141.4	141.4	148.7	-0.5	8.66
Intl Growth	5¼	147.2	148.6xd	158.1	-0.5	0.41
North American ♥	5¼	93.57	95.05	101.1	-0.2	0.32
Far East	5¼	119.2	120.1	127.8	-0.8	0.33
UK Smaller Cos	5¼	108.1	112.3xd	119.5	-0.9	2.94
European	5¼	53.64	53.64	57.17	-0.24	1.21
Japanese Growth	5¼	37.83	37.83	40.59	-0.28	0.00
Managed P'folio	5¼	48.20	48.57xd	51.67	+0.07	1.72
High Income	5¼	148.2	150.0	159.6	-0.7	6.12
High Yielding Gilt	5¼	60.88	60.88xd	64.16	-0.07	9.58
Cash		50.68	50.68	50.68	+0.01	11.31

Morgan Grenfell Unit Tst Mgrs Ltd (1000)H
20 Finsbury Circus, London EC2M 1UT
Dealers: 071-826 0826 Enquiries: 071-826 0123

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
American Gwth	5¼	144.6	144.6	155.1	-0.4	0.90
European Gwth	5¼	196.0	196.0	209.6	+1.0	0.00
Intl Gwth	5¼	143.1	143.1xd	152.1	-0.6	0.00
UK Equity Inc	5¼	115.7	115.7xd	124.9	-0.1	6.48
UK Equity Acc	5¼	130.3	130.3xd	140.7	-0.1	6.48
UK Ind Tracker Inc	5	120.0	120.0	128.2	+0.2	3.91
UK Ind Tracker Acc	5	128.2	128.2	137.0	+0.2	3.91
US Eq Ind Tracker Inc	5	137.9	137.9	147.9	-1.2	3.02
US Eq Ind Tracker Acc	5	142.4	142.4	152.7	-1.2	3.02
Japan Tracker	5	63.57	63.57xd	67.41	-0.35	0.00
Asian Trader	5¼	85.19	85.19xd	91.07	-0.62	1.45
Managed Inc	5¼	98.16	98.16	105.5	-0.3	2.02
Managed Acc	5¼	99.40	99.40	106.8	-0.3	2.02
Cash Inc	0	100.42	100.42xd	100.42	+0.02	11.86
Cash Acc	0	108.02	108.02xd	108.02	+0.03	11.86
Europa	5½	104.1	104.1	111.8	+0.3	0.00

Geoffrey Morley Unit Mgrs Ltd (1200)F
3 Bedford Park, Croydon CR0 2AQ 081-686 9818

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Exempt Unit Tst	4	116.54	116.54	124.24	-0.37	2.60
Exempt Smllr Cos	3¼	229.33	229.33	246.40	-0.32	1.40

Guide to pricing of Authorised Unit Trusts
Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071 – 379 – 0444.

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per minute peak and 34p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

Stewart Ivory Unit Tst Mgrs Ltd (1500)H
45 Charlotte Sq, Edinburgh 031-226 3271

Storebrand Int'l Inv Mngrs Ltd (1200)F
Admin: 5 Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries: 0277 227300 Dealing: 0277 261010

Sun Alliance Unit Tst Mngmt Ltd (1200)F
Sun Alliance House, Horsham 0403 56293

Sun Life of Canada Unit Mgrs Ltd (1000)H
Basing View, Basingstoke, Hants 0800 525725

Edinburgh Fund Mngrs PLC

Exempt Funds

	Bid Price	Offer Price	+ or −	Yield Gross
American May 22	150.0	154.1	−4.2	1.02
Managed May 22	140.8	146.1	−0.8	3.94
Japan May 23	118.5	121.8	−1.7	0.08
Sm Jap Cos May 24	570.9	586.6	−1.8	0.09

Fidelity Investment Services Ltd

	Bid Price	Offer Price	+ or −	Yield Gross
Mngd Pens P'folio	128.7	133.1	−0.40	3.82

Robert Fleming Asset Mngmt Ltd

Funds in Court*

	Bid Price	Offer Price	+ or −	Yield Gross
Capital May 22	490.86	494.47xd	.....	2.48
Gross May 22	188.97	190.50	.....	9.71
High Yield May 22	295.65	298.03	.....	6.93

* Restricted to monies under Court control

Henderson Unit Trust Management Ltd

	Bid Price	Offer Price	+ or −	Yield Gross
Pensions Mngd	51.56	52.64xd	−0.09	3.79

INVESCO MIM Management Ltd

Exempt Funds

	Bid Price	Offer Price	+ or −	Yield Gross
(a) Mngd P'Folio	1185.0	1280.0	.....	−
Mngd Pens (Acc)	67.9	72.4	.....	−

Lazard Brothers & Co. Ltd

	Bid Price	Offer Price	+ or −	Yield Gross
Property Jan 3	£2560.0	2675.0	.....	6.00
Inc Gth Prp Apr 16	£1325.0	1460.0	.....	7.20

Lazard Investors Ltd

INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

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N & P Life Assurance Ltd

6-7 Bedford Row, London, WC1R 4UJ 071-430 2348

	Bid Price	Offer Price	+ or -	Yield Gross
Life Managed Fd	104.4	109.9	-0.4	-
Pension Managed Fd	102.1	107.5	-0.4	-
Life Deposit Fd	106.9	112.5	-	-
Pension Deposit Fd	111.9	117.8	...	-

National Financial Management Corp PLC

72 Gatehouse Rd, Aylesbury, HP19 3XJ 0296 395539

	Bid Price	Offer Price	+ or -	Yield Gross
Life Funds				
Managed Cautionary	108.4	119.2	.....	-
Managed Growth	134.9	148.5	+0.1	-
Managed Opportunity	136.4	150.4	-0.1	-
NFMC Target Financial	98.8	106.4	-0.3	-
Pension Funds				
Managed Cautionary	118.4	129.8	.....	-
Managed Growth	142.5	156.7	+0.2	-
Managed Opportunity	137.1	151	...	-
NFMC Target Mngd Pens	1470.4	1598.3	-5.2	-

National Mutual Life

The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422

	Bid Price	Offer Price	+ or -	Yield Gross
Harvester Pension Funds				
Managed	159.6	168.1	.....	-
UK Equity	163.1	171.7	.....	-
Overseas Equity	133.8	140.9	.....	-
Fixed Interest	143.5	151.1	...	-
Property	130.8	137.7	.....	-
Index Linked	147.6	155.4	...	-
Deposit	155.8	164.1	.....	-
With Profits (6)	128.0	134.8	.....	-

National Provident Institution

48 Gracechurch St, London EC3P 3HH 071-623 4200

[illegible]

Prosperity Life Assurance Ltd

1 Sessions Hse Sq, Maidstone ME14 1XX 0622 690555

[illegible]

Royal Heritage Life Assurance Ltd—Contd.

[illegible]

Shield Assurance Ltd

40 Uxbridge Rd, W5 2BS 081-567 0700

[illegible]

Swiss Life (UK) PLC

101 London Rd, Sevenoaks 0732 450161

[illegible]

CMI Insurance Co Ltd—Contd.

[illegible]

ECU Futures Plc

[illegible]

Edinburgh Money Management Ltd

[illegible]

Fairmount Glen Gate Ltd

[illegible]

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

[illegible]

CANADA (SIB RECOGNISED)

[illegible]

GUERNSEY (SIB RECOGNISED)

[illegible]

GUERNSEY (REGULATED)

[illegible]

OFFSHORE INSURANCES

[illegible]

MANAGEMENT SERVICES

[illegible]

FT MANAGED FUNDS SERVICE

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	Bid Price	Offer Price	+ or -	Yield Gross
U.S. Treasury Securities Fund Ltd				
Short Term Shares	$761.48		....	-
Fixed Income Shares	$884.67			-
Yamaichi Capital Mangmt (Guernsey) Ltd				
Japan Mega Growth	$10.72		-0.02	-
Yamaichi ISS Fund	$7.97		-0.03	-
Yamaichi CB Pfol Fund	$8.44		+0.02	-
Thai Inv Fund	$10.63		....	-

IRELAND (SIB RECOGNISED)

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
GAM Fund Management Ltd (a)						
29 Kildare Street, Dublin 010 353 1760 630						
GAM Universal US Str Acc		$-	110.40		+0.66	-
GAM Universal US Str Inc		$-	110.40		+0.66	-
GAM Universal DM Acc		DM-	118.26		+1.59	-
GAM Universal DM Inc		DM-	118.26		+1.59	-
NI Global Asset Mngmt Co Ltd - "NI Trusts"						
Intl Global Dollar		$-	0.98	1.05		-

IRELAND (REGULATED)(**)

	Bid Price	Offer Price	+ or -	Yield Gross
Bank of Ireland Unit Managers Ltd				
Global Strap	$9.80	10.10	....	-
European Bond	[illegible]	[illegible]		-
Investor Portfolio				
EquityAmerica	$11.18	12.18	....	-
EquityEurope	$9.25	9.81	....	-
BondAmerica	$10.37	11.01	....	-
BondEurope	$9.29	9.86	....	-
BondJapan	$9.91	10.51	....	-
World Inv Trust	$10.56	11.20	....	-
Opportunity Europe	$10.92	11.58	....	-
Baring International Fd Mngrs (Ireland) Ltd				
Australia	$15.28	16.05	-0.26	1.05
Japan Tech	$65.41	68.69	+0.65	-

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Hill Samuel Fund Mgrs - Contd.						
International Currency Fund						
Sterling Managed	5½	£26.14	26.14	27.66	+0.05	-
US Dollar Managed	5½	$29.52	29.52	31.24	+0.02	-
Sterling	0	£24.94	24.94	24.94	+0.01	11.42
US Dollar	0	$37.93	37.93	37.93	....	4.73
Deutschmark	0	DM59.94	59.94	59.94	+0.01	7.69
Japanese Yen	0	Y4,844	4,844	4,844	+1	5.99
Swiss Franc	0	SFr46.67	46.67	46.67	+0.01	6.62
Irish Punts	0	I£22.15	22.15	22.15	....	6.47
INVESCO MIM International (Jersey) Ltd						
PO Box 271, St Helier, Jersey 0534 73114						
Jersey Gilt (a)	5¼	[illegible]	0.1684	0.1775	....	9.50
Lloyds Bank (CI) U/T Mgrs.						
PO Box 195, St Helier, Jersey 0534 27561						
Lloyds Tst. Gilt	2½	9.372	9.388	9.633	[illegible]	11.21
Dealing daily						
Midland Bank Fund Managers (Jersey) Ltd						
PO Box 26, St Helier, Jersey 0534 606000						
Intl Bond Portfolio	6	101.42	101.42	107.55	+0.25	1.63
Gilt	3	91.98	91.98	94.85	+0.13	10.54
For MIM see INVESCO MIM						
Royal Trust Jsy Fd Mngt Ltd (1400)F						
PO Box 428, St Helier, Jersey 0534 76077						
Govt Secs Fd	4	55.85	55.85	58.33	-0.12	9.60
TSB Trust Funds (CI)						
PO Box 538, St Helier, Jersey 0534 73494						
TSB Offshore Investment Fund Ltd						
Stg Deposit Class	3	103.00	103.00	106.09	+0.04	11.60
Gilt & Fixed Interest	3	102.04	102.04	105.08	+0.05	11.63
Blue Chip & Gilt Edged	5	48.72	48.72	51.95	+0.06	3.56
International Bond	5	109.56	109.56	115.07	-0.75	7.52
UK Equity	5	109.72	109.72	119.20	+0.06	1.62
International Equity	5	107.38	107.38	114.47	-0.82	0.43
Far Eastern	5	99.12	99.12	106.17	-0.18	0.00
European	5	85.62	85.62	90.59	+0.15	0.42
Pan American	5	113.43	113.43	120.47	-0.04	0.79
TSB Gilt Fund Ltd						
Quarterly Share	3	96.69	96.69	99.74	+0.17	10.75
Monthly Share	3	95.53	95.53	98.52	+0.16	10.86

JERSEY (REGULATED)(**)

Barclays Intl Funds

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

WORLD STOCK MARKETS

INDICES

NEW YORK

DOW JONES	May 23	May 22	May 21	May 20	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
♠Industrials	2900.04	2910.33	2906.08	2892.22	3004.46 (17/4)	2470.30 (9/1)	3004.46 (17/4/91)	41.22 (2/7/32)
Home Bonds	94.75	94.78	94.75	94.70	95.06 (9/5)	91.30 (16/1)	95.51 (9/2/87)	54.99 (1/10/81)
Transport	1148.45	1138.75	1129.06	1129.23	1202.57 (9/5)	894.30 (7/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	209.07	210.89	210.89	210.45	220.89 (16/4)	199.64 (16/1)	236.23 (2/1/90)	10.50 (8/4/32)

♠Day's High 2935.38 (2990.01) Low 2881.04 (2872.76)

STANDARD AND POOR'S	May 23	May 22	May 21	May 20	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	374.96	376.19	375.35	372.28	390.45 (17/4)	311.49 (9/1)	390.45 (17/4/91)	4.40 (1/6/32)
Industrials	446.92	448.31	447.28	443.52	463.23 (18/4)	364.90 (9/1)	463.23 (18/4/91)	3.62 (21/6/32)
Financial	29.54	29.57	29.34	29.06	31.58 (18/4)	21.96 (9/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	205.45	205.94	205.60	204.07	213.21 (17/4)	170.97 (9/1)	213.21 (17/4/91)	4.46 (25/4/42)
Amex Mkt. Value	360.52	359.88	359.13	358.16	373.40 (18/4)	296.72 (14/1)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	489.60	487.29	483.60	480.10	511.31 (17/4)	355.75 (14/1)	511.31 (17/4/91)	54.87 (31/10/72)

	May 10	May 3	Apr.26	year ago (approx.)
Dow Industrial Div. Yield	3.14	3.44	3.47	3.93

	May 22	May 15	May 8	year ago (approx.)
S & P Industrial div. yield	2.79	2.86	2.78	2.94
S & P Indl. P/E ratio	18.89	18.97	18.53	16.08

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Blockbuster	3,246,400	9	+ ¼
Saatchi Co	2,912,200	1	—
RJ Nabisco	2,869,100	11	+ ⅛
Philip Morris	2,541,900	67½	+ ⅝
Gen Motors	2,115,200	38⅝	+ ⅞
ADV Micro	2,045,000	12⅞	- ¼
Pan Am Corp	2,037,600	¾	- ⅛
Compaq Com	1,971,700	36¾	- ⅜
Comp Assoc	1,888,600	9	+ ¾
Pepsico	1,677,700	31⅝	- ⅞

TRADING ACTIVITY

† Volume Millions	May 23	May 22	May 21
New York	173.080	159.310	186.860
Amex	11.211	9.947	9.614
NASDAQ	170.851	161.746	166.461
Issues Traded	2,048	2,055	2,061
Rises	725	762	985
Falls	762	785	582
Unchanged	561	508	494
New Highs	63	47	62
New Lows	12	14	16

CANADA

TORONTO	May 23	May 22	May 21	May 20	1991 HIGH	1991 LOW
Metals & Minerals	2966.02	2984.31	2991.77	(c)	3284.18 (5/3)	2632.06 (9/1)
Composite	3446.39	3448.05	3447.63	(c)	3571.53 (6/3)	3161.95 (15/1)
MONTREAL Portfolio	1825.92	1824.37	1825.15	(c)	1888.19 (5/3)	1686.89 (9/1)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	May 24	May 23	May 22	May 21	1991 HIGH	1991 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1536.8	1532.0	1541.4	1536.1	1558.3 (29/4)	1284.5 (16/1)
All Mining (1/1/80)	645.6	647.9	652.4	654.4	680.1 (29/4)	561.6 (16/1)
AUSTRIA						
Credit Aktien (30/12/84)	503.68	503.81	503.05	502.45	534.81 (16/4)	390.84 (15/1)
BELGIUM						
BEL20 (1/1/91)	1166.56	1167.82	1172.27	1171.10	1212.15 (17/4)	917.59 (17/1)
DENMARK						
Copenhagen SE (3/1/83)	354.37	354.74	354.86	352.13	354.86 (22/5)	302.26 (8/1)
FINLAND						
HEX General (28/12/90)	1077.9	1059.2	1039.3	1037.4	1186.9 (8/4)	890.5 (23/1)
FRANCE						
CAC General (31/12/82)	485.34	483.54	486.62	486.46	493.78 (9/4)	394.88 (15/1)
CAC 40 (31/12/87)	1804.83	1813.71	1831.13	1833.09	1851.89 (3/4)	1425.26 (15/1)
GERMANY						
FAZ Aktien (31/12/58)	700.12	693.23	695.18	681.79	695.18 (22/5)	570.48 (15/1)
Commerzbank (1/12/53)	1983.70	1965.30	1966.00	1936.40	1983.70 (24/5)	1612.5 (15/1)
DAX (30/12/87)	1671.87	1652.71	1647.69	1617.40	1647.69 (22/5)	1311.82 (16/1)
HONG KONG						
Hang Seng Bank (31/7/64)	3703.98	3778.79	3826.62	3829.88	3917.09 (20/5)	2984.01 (16/1)
IRELAND						
ISEQ Overall (4/1/88)	1402.90	1399.12	1394.77	1402.82	1520.65 (15/3)	1114.86 (25/1)
ITALY						
Banca Com. Ital. (1972)	589.65	583.41	573.33	569.92	602.64 (19/4)	486.26 (29/1)
JAPAN						
Nikkei (16/5/49)	25529.14	25643.65	25398.66	25481.21	27146.91 (18/3)	22442.70 (16/1)
Tokyo SE (Topix) (4/1/68)	1944.67	1948.87	1933.57	1936.14	2028.85 (18/3)	1625.00 (17/1)
2nd Section (4/1/68)	3218.85	3229.4	3239.22	3246.55	3423.45 (10/5)	2473.52 (24/1)
MALAYSIA						
KLSE Composite (4/4/86)	625.81	611.57	592.76	584.20	625.81 (24/5)	470.41 (16/1)
NETHERLANDS						
CBS Tll.Rtn.Gen.(End 1983)	276.5	277.8	277.9	277.8	280.1 (10/5)	221.4 (16/1)
CBS All Shr (End 1983)	197.3	198.3	198.4	197.8	202.8 (10/5)	162.3 (16/1)
NORWAY						
Oslo SE Indl (2/1/83)	774.55	762.56	765.29	768.98	790.41 (13/5)	610.45 (21/1)
PHILIPPINES						
Manila Comp (2/1/85)	1194.31	1166.75	1178.37	1162.21	1178.37 (22/5)	582.64 (10/1)
SINGAPORE						
SES All-Singapore (2/4/75)	417.72	415.85	414.87	412.82	422.43 (26/4)	315.07 (16/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1180.04	1183.0	1200.0	1173.0	1367.0 (14/1)	971.0 (25/2)
JSE Industrial (28/9/78)	3583.84	3584.0	3582.0	3547.0	3584.0 (23/5)	2829.0 (16/1)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	619.29	624.89	624.32	(c)	697.62 (4/1)	614.60 (16/1)
SPAIN						
Madrid SE (30/12/85)	284.33	285.98	284.69	285.47	289.22 (18/3)	213.70 (14/1)
SWEDEN						
Affärsvärlden Gen. (1/2/37)	1086.70	1073.70	1069.80	1074.70	1119.0 (18/3)	808.4 (8/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	747.7	746.8	745.8	740.2	747.7 (24/5)	590.4 (14/1)
SBC General (1/4/87)	626.1	625.9	624.6	619.8	626.1 (24/5)	487.1 (14/1)
TAIWAN**						
Weighted Price (30/6/66)	6089.60	6198.17	6168.90	6142.21	6305.22 (9/5)	3316.26 (16/1)
THAILAND						
Bangkok SET (30/4/75)	812.54	800.73	792.08	804.83	908.13 (19/4)	582.48 (16/1)
WORLD						
M.S. Capital Intl.(1/1/70) ($)	507.8*	506.9	506.7	506.7	529.2 (17/4)	439.1 (16/1)

**Saturday May 18: Taiwan Weighted Price: 5982.26 Korea Comp Ex. 636.58.
♠ Subject to official recalculation. *Calculated at 15.00 GMT.
Base values of all indices are 100 except: BEL20, HEX General, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

WORLD STOCK MARKETS

AMERICA

Blue chips lead equities higher in thin turnover

Wall Street

THE pre-holiday torpor struck early yesterday morning, as equities posted solid gains in thin trading, *writes Karen Zagor in New York.*

Volume was light from the opening, as traders started to flee Manhattan before the three-day weekend. At 1.30 pm, the Dow Jones Industrial Average was 14.54 higher at 2,914.58 on volume of less than 84m shares. Advancing issues led those declining by a ratio of four to three. On Thursday, the Dow fell 10.29 to 2,900.04.

Early equity prices were subdued by a weak bond market in morning trading. Bond prices were hit by a hefty upward revision in building permits for April, which were changed to show a 2.4 per cent gain after an original report of a 3 per cent drop. The news sent the Treasury's benchmark 30-year bond down ½ point. By midsession, the long bond had recovered and was trading at 98⅞ to yield 8.3 per cent, off only ⅛ point.

Blue chip issues were particularly active, with PepsiCo unmoved at $31¾, General Motors adding $¾ to $39⅛, Philip Morris up $⅝ at $68⅞ and IBM $¾ higher at $105.

Among featured issues, Unisys slid $⅛ to $3¾ after the computer company said that it planned gradually to cut its 33.3 per cent equity stake in Nihon Unisys though the sale of up to 2.2m common shares.

In the junk bond market, the company's 8 per cent senior notes, due in 1991, rose 3 points to 91 at midday.

Continuing concern about the financial difficulties at Orion Pictures sent the company's stock plunging $⅝ to $4 after falling $1⅝ on Thursday. The stock price has fallen steadily all week since Orion turned in a fourth-quarter loss and announced a debt restructuring programme.

Continuum fell $⅝ to $15⅝ after the company postponed its plans for a common stock offering indefinitely.

McDonald's, which raised its quarterly dividend to 9.25 cents from 8.5 cents, was unchanged at $33⅞.

Coventry, a managed health care company, surged $1⅝ to $18 after an analyst at Dean Witter issued a buy rating on the stock. Dean Witter was the managing underwriter of the company's initial public offering in April, which as priced at $14½ share.

In the over-the-counter market, the Nasdaq composite was 2.47 higher at 492.07 at midsession, with trading led by technology issues.

Microsoft rose $1 to $110¼. Several analysts have reiterated buy recommendations on the stock and the issue has gained more than $10 this week.

BWIP Holdings was the most active over-the-counter stock, following an initial public offering of 8m shares of common stock priced at $14½ late on Thursday. At midsession, the stock was trading at $14⅛.

Canada

TORONTO saw bargain-hunting among large capitalisation shares which sent the market to session highs at midday, with the composite index 14.2 higher at 3,460.6. Advances led declines by 219 to 190 on slow trade of 14m shares.

Laidlaw class B shares continued to recover from sharp losses following the discovery of 20 barrels and 27 capacitors buried on its hazardous waste disposal site south-west of Montreal. They rose C$⅞ to C$13¼ on volume of 931,000 shares, after jumping C$⅞ on Thursday.

Canadian Pacific, which has a 20 per cent equity interest in Laidlaw, rose C$¼ to C$19¼, partly recovering recent losses. Campbell Soup Co of Toronto jumped C$3⅞ to C$40⅞ after the US-based Campbell Soup raised its offer for outstanding shares.

SOUTH AFRICA

JOHANNESBURG stocks ended gently lower after gains earlier in the week. The all-gold index slipped 3 to 1,180 and the industrial index eased 1 from Thursday's record high to 3,583. Trading was quiet before the weekend.

Australia perks up as inflation rate falls

But poor economic growth is now holding the market in check, writes **Kevin Brown**

AUSTRALIAN investors have had something to cheer about this year, as a sustained rally has pushed the All Ordinaries index up 20 per cent over the last four months. The driving force has been an improved inflation outlook, thanks to weak demand and the impact of a wage-restraint-for-tax-cuts deal between the trade unions and the government.

Rising share prices have done wonders for local confidence, and some brokers are forecasting that the All Ordinaries index could rise from its current level of 1,536.8 to 1,800 before the year is out. More cautious forecasters are hoping for 1,650.

However, the recovery came from a very low base. The Australian stock market has been among the world's poorer performers since the global crash in 1987, when the index slumped from 2,300 to 1,150 in a couple of months. High interest rates, slow economic growth and worries about entrepreneurial stocks have held the market back, and by the end of last year it had struggled only to 1,279.8, little more than 11 per cent above the post-crash low.

Falling inflation has changed the picture this year. The inflation rate lost two percentage points to an annualised 4.9 per cent in the first quarter. This has lent credence to government claims that inflation will fall to less than 4 per cent by the end of the year, and prompted independent economists to revise end-of-year forecasts to as little as 2.6 per cent.

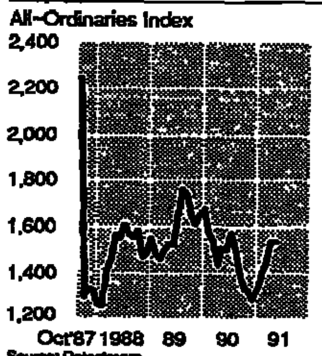
The fall in inflation has attracted the attention of overseas buyers, who have been re-entering the Australian market in numbers not seen since before the crash.

The improvement has also triggered a series of cuts in official interest rates, which have fallen from 13 per cent to 10.5 per cent over the past five months. Most independent economists say a further easing in official rates is likely in mid-year, especially if unemployment continues to rise rapidly from the present level of 9.9 per cent. Bank bill rates are likely to ease as the markets anticipate a further easing of monetary policy, and bond yields will fall later in the year if forecasts of a sustained fall in inflation continue to appear credible.

Bond yields have already been falling rapidly – for example, the 10 year Commonwealth (federal government) bond is down from 12.25 per cent in December to 10.5 per cent, while 90 day bank bills are down from 12.6 per cent to about 10.4 per cent. Add in the weak property market, and it is easy to see why the local institutions have been reweighting their portfolios towards equities.

Australia

All-Ordinaries Index



Source: Datastream

However, the fall in inflation has not been matched by an improvement in the wider economic outlook, which has been poor since the middle of last year, when the effects of official interest rates as high as 18 per cent began to be felt in slower growth. Gross domestic product has been weak or negative for the last five quarters, and the economy is not expected to begin a sustained recovery until the second half of the year at the earliest.

Most analysts say this is why the market has paused at the 1,530 level on the index since reaching its 1991 high of 1,558.3 on April 29. "The inflation figures have been factored into the market, and it is now waiting for a pick-up in economic activity and the corporate earnings outlook to take it on to the next level," says Mr Ian Wenham, head of research at BZW Australia.

So far, there have been few signs of renewed growth, and forecasts for the beginning of the recovery vary widely. Little improvement is expected in the current quarter, but the government and most brokers are still hoping for positive growth in the third quarter. Others are more pessimistic. Mr Don Argus, managing director of the National Australia Bank recently suggested that the recovery might not begin until as late as the middle of next year.

Meanwhile, the market has had to absorb a string of poor interim results from leading companies, including former stars such as News Corporation, Mr Rupert Murdoch's media group, and TNT, Sir Peter Abeles' multinational transport conglomerate.

Blue chip stocks such as BHP, BTR Nylex and ICI Australia have also been hit by weak demand, and almost every profits statement has forecast a tough second half, albeit with the promise of improved results next year. For example, Westpac, Australia's biggest bank, cut the interim dividend from 25 cents to 15 cents to reflect the economic outlook, and warned of a "subdued" second half.

Nevertheless, the rally has been relatively evenly spread across the market, and most of the major indices are up by between 20 per cent and 30 per cent since the beginning of the year. The star performer has been the media index, which was up by 59.7 per cent at the end of April, largely on investors' relief at the A$10bn (US$7.8bn) restructuring deal signed by News Corporation in February. News Corp, which hit a 1991 low of A$3.19, gained 16 cents yesterday to A$8.16 after agreeing to sell nine US magazines for US$650m.

Other good performers have included the retail index, reflecting the relatively robust performance of leading retailers such as Coles Myer, and banking, which has firmed on hopes that the industry is past the worst. The building materials index, which includes Boral and CRS, was up 18.3 per cent at the end of April, and is likely to be an early beneficiary of economic improvement when it occurs.

The pause in the All Ordinaries index is expected to continue until early June, when a clutch of economic indicators will provide a pointer to the likely performance of the economy for the rest of the year.

ASIA PACIFIC

Late profit-taking sends Nikkei into reverse

Tokyo

SHARE PRICES made moderate gains in relatively active trading yesterday morning, but the Nikkei average fell back later as arbitrage-related selling and profit-taking set in, *writes Emiko Terazono in Tokyo.*

The average closed 114.51 down at 25,529.14, for a 0.7 per cent fall on the week. It hit a day's high of 25,741.10 and a low of 25,451.33.

Individual investors and investment trusts kept volume high at 370m shares, unchanged from Thursday. Declines outnumbered advances by 517 to 368, with 220 issues unchanged. The Topix index declined 4.20 to 1,944.67 but, in London trading, the ISE/Nikkei 50 index rose 0.72 to 1,447.81.

In Tokyo, investment trusts bought index stocks when the Nikkei fell below 25,500. Traders said that, while institutions have no incentive to buy stocks at current levels, a further decline would hurt their portfolio values.

Large-capital issues fell on profit-taking as lower interest rates failed to materialise. Nippon Steel fell Y6 to Y467 and Kawasaki Steel declined Y10 to Y435.

Hitachi Zosen, the shipbuilder, lost Y3 to Y672 on profit-taking, but interest in the shipbuilding sector spread to Mitsubishi Heavy Industries, which rose Y2 to Y759, and Kawasaki Heavy Industries, which gained Y10 to Y631.

Japan Steel Works added Y10 to Y827 on aggressive buying by a leading Japanese brokerage. Some institutional investors and individuals followed suit, in search of quick profits.

Morinaga Milk Industry added Y24 to Y775. The issue has been popular on rumours of the development of a new AIDS drug. Speculators looking for short-term profits sought the stock.

Ushio, a lamp manufacturer, gained Y50 to Y1,250 on forecasts of strong demand for its optics-related products.

Tobishima, the construction company in financial trouble after extensive loans to a real estate broker that has gone bankrupt, fell Y40 to Y1,060. Tobishima announced that it would not pay a dividend for the current year because of depressed earnings.

Electric wire and cable issues fell on profit-taking. The sector had been strong recently on hopes that a capital spending increase by the electrical power companies would boost sales. Fujikura lost Y40 to Y1,060 and Hitachi Cable fell Y40 to Y1,170.

In Osaka, the OSE average gained 72.30 to 28,221.67 on volume of 32m shares, down from 35m. Nintendo, the video game maker, fell Y200 to Y14,200. Traders said that prospects of weak earnings for the current year has pushed the issue below a psychological resistance level of Y14,900.

Roundup

THE REGION presented a number of contrasts, and swings in sentiment yesterday. Bombay was closed to mark the cremation rites for the former prime minister, Mr Rajiv Gandhi.

HONG KONG, so recently the driving force in the Pacific Basin, tumbled ahead of a percentage point rise in prime lending rates. The Hang Seng index fell 74.81 or 2 per cent to 3,703.98, and 4.6 per cent on a week marred by the failure of the airport talks. Turnover fell from HK$1.6bn to HK$1.2bn, and properties again were the hardest hit.

MANILA, after an up and down week, hit a 1991 high, lifted by the rise in Philippine Long Distance Telephone in the US market overnight. PLDT closed 12.50 pesos higher at 602.50 and the composite index rose 27.56 or 2.3 per cent to 1,194.31, 2.5 per cent higher on the week.

KUALA LUMPUR rose 2.3 per cent on the day and 7.3 per cent on the week. The composite index rose another 14.24 to the year's high of 625.81, on speculation that Malaysia's retirement fund would increase its equity content. SINGAPORE extended its climb, the Straits Times Industrial index putting on 15.16 to 1,547.60, 2.2 per cent up on the week.

BANGKOK saw sizeable gains in finance, construction and real estate, as the SET index rose 11.81 to 812.54, 1 per cent lower on the week.

NEW ZEALAND fell 1.1 per cent on the day and 0.3 per cent on the week as Carter Holt Harvey, the country's third-biggest company, placed 54m new shares with international institutions at NZ$1.80 each. CHH closed 1 cent lower at NZ$1.95 and the Barclays index fell 16.99 to 1,523.27.

EUROPE

Nordic excitements vie with bargains on laggard bourses

THE TWIN attractions of the week, laggard markets in the shape of Frankfurt and Milan and other excitements in Scandinavia, continued to feature yesterday, *writes Our Markets Staff.*

FRANKFURT extended its rally, the DAX index closing 19.16 up at its third successive 1991 high of 1,671.87. This followed a 6.89 rise to 700.12, also a year's high, for the FAZ at midsession; gains on the week were 4.6 and 3.3 per cent respectively. Volume fell from DM10.8bn to DM9.5bn.

Following Dresdner Bank's disclosure that it had a 10 per cent stake in Allianz, the insurer rose DM62 to DM2,490 for a 7.2 per cent gain on the week. Paribas Capital Markets Group said in a buy recommendation that Allianz had outperformed the FAZ by 390 per cent over the last 15 years.

In steels, Mannesmann rose DM6.30 to DM287.80 before its news conference on Monday, and Thyssen put on DM4 to DM228.50. In carmakers Volkswagen gained another DM7.70 to DM387 and Porsche, recently unloved because of apparently weak prospects for US export earnings, recovered DM17 to DM835.

MILAN registered a 2.6 per cent rise for the week as the Comit index gained 8.24, or 1.4 per cent, yesterday to 589.65. Generali and Mediobanca took over the lead, rising L700 to L35,600 and L400 to L16,100 respectively.

Foreign buying was noted in banks, where BNA was sensitive on Thursday. The sector was unmoved by revelations that a number of public-sector Italian banks had emerged with a total combined exposure of more than L5trn ($3.9bn) to the troubled agricultural co-operative union, Federconsorzi.

STOCKHOLM's Affärsvärlden General index rose 13.0 to 1,086.7, up 4.7 per cent on the week. Turnover rose from SKr488m to SKr505m.

The European Community (EC) decision to clear the Tetra Pak bid for Alfa-Laval on Thursday continued to help the market, as did a fall in short-term money market rates.

OSLO was lifted by another fall in Norwegian money market rates to a 12-year low. The all-share index added 7.54 or 1.5 per cent to 511.92, in active trading worth NKr388m, up from NKr208m.

Turnover in Bergesen, the shipping company, was heavy at NKr89m. Its A shares rose NKr4.5 to NKr157 and its Bs gained NKr5 to NKr158.

HELSINKI rose further on continuing speculation about an eventual linking of the markka with the Ecu. The Hex index added 18.5, or 1.8 per cent, to 1,077.9, up 3.4 per cent on the week.

PARIS ended near its day's low in the first session of the new monthly account, as bonds continued to weaken. The CAC 40 index fell 8.88 to 1,804.83, little changed on the week, as turnover halved from FFr3.4bn to an official close of FFr1.5bn. The last few minutes of trading were delayed for about half an hour by a technical fault.

Havas continued to fall on its profits forecast, losing another FFr14 or 2.8 per cent to FFr484. Moulinex was one of the few bright spots, jumping FFr9 or 6.9 per cent to FFr140 on volume of 277,400 shares.

MADRID fell in fairly thin trading, the general index losing 2.24 to 283.39 to end the week barely changed. Turnover eased to about Pta13bn from Pta17.9bn.

One active stock was Sevillana, which rose Pta1 to Pta656 on volume of 1.22m shares, after the utility said on Thursday that it would consider any attempt by Endesa, the state-controlled group, to buy equity without agreement as hostile. Endesa lost Pta15 to Pta2,325.

AMSTERDAM slipped in quiet trading. The holiday in the UK and US on Monday was expected to keep activity thin at the start of next week. The CBS Tendency index eased 0.2 to 93.8, but rose 1.2 per cent on the week.

Boskalis, the dredging company, leapt Fl 1.50 or 8.7 per cent to Fl 18.80 on the news that it was in talks to buy Heinrich Hirdes, the German dredging group.

ZURICH ended steady with the Crédit Suisse index just 0.1 lower at 543.6, up 1.2 per cent on the week. The same could not be said for CS Holding, the parent of Crédit Suisse, which fell SFr70 to SFr2,030. Analysts observed that the exercise price of free warrants issued with the CS dividend was to be determined by reference to a period ending on Thursday.

FT-SE Eurotrack 100 - May 24

Hourly changes

Open	10 am	11 am	Noon	1 pm	2 pm	3 pm	Close
1129.08	1129.51	1132.66	1132.88	1132.77	1132.70	1132.81	1132.21

Day's High 1134.09 Day's Low 1128.98

May 23	May 22	May 21	May 20	May 17
1132.62	1131.74	1123.75	1120.04	1118.61

Base value 1000 (26/10/90)

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock	THURSDAY MAY 23 1991 US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	WEDNESDAY MAY 22 1991 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX 1991 High	1991 Low	Year ago (approx)
Australia (72)	140.60	−2.9	120.15	122.38	125.29	123.58	−0.6	5.38	144.87	124.41	126.38	129.66	124.30	147.30	112.74	132.10
Austria (19)	196.96	−0.6	168.32	171.46	175.53	176.44	−0.3	1.50	198.24	170.23	172.93	177.43	176.98	222.37	167.00	239.75
Belgium (60)	134.22	−1.9	114.69	116.82	119.60	117.34	−1.9	5.05	136.85	117.52	119.37	122.48	119.64	151.20	121.73	148.90
Canada (117)	136.48	−0.3	116.62	118.79	121.61	113.70	−0.2	3.52	136.93	117.58	119.44	122.54	113.92	141.10	126.49	135.31
Denmark (31)	241.88	−0.1	206.69	210.54	215.54	216.14	−0.4	1.55	242.18	207.97	211.26	216.75	216.98	270.56	217.74	256.62
Finland (21)	113.01	+0.0	96.57	98.37	100.70	96.86	+1.3	2.51	113.03	97.06	98.60	101.16	95.65	125.15	90.61	139.93
France (111)	136.30	−0.2	116.47	118.63	121.45	124.49	−0.6	3.43	136.60	117.30	119.15	122.24	125.24	152.26	121.85	166.63
Germany (66)	112.42	+0.5	96.06	97.86	100.17	100.17	+0.1	2.23	111.85	96.04	97.58	100.10	100.10	125.35	102.43	129.29
Hong Kong (47)	156.10	−1.2	133.39	135.87	139.11	156.04	−1.2	4.38	158.00	135.68	137.83	141.42	157.97	161.77	119.62	126.48
Ireland (17)	152.37	+0.4	130.21	132.63	135.78	138.12	+0.4	4.07	151.84	130.39	132.45	135.90	137.63	162.46	132.86	181.48
Italy (91)	77.84	+2.0	66.35	67.58	69.19	73.90	+1.7	3.20	76.15	65.39	66.42	68.15	72.68	88.23	72.05	106.39
Japan (452)	137.96	+1.2	117.89	120.09	122.96	120.09	+0.9	0.72	136.37	117.11	118.96	122.07	118.98	146.97	118.35	153.17
Malaysia (33)	236.93	+2.0	202.46	206.22	211.13	251.58	+2.0	3.02	232.36	199.53	202.68	207.96	246.63	247.78	192.83	234.45
Mexico (12)	987.79	−0.6	844.08	859.79	880.22	3231.34	−0.6	0.61	994.22	853.76	867.28	889.83	3252.40	995.27	534.45	528.80
Netherland (40)	139.16	+0.3	118.91	121.13	124.01	122.68	−0.1	4.42	138.68	119.09	120.97	124.12	122.78	145.73	125.70	140.64
New Zealand (14)	52.50	−2.6	44.86	45.70	46.78	48.05	−1.3	7.41	53.91	46.29	47.03	48.25	48.66	54.64	41.18	62.79
Norway (30)	200.83	−0.1	171.61	174.81	178.96	182.16	−0.4	1.66	201.04	172.64	175.37	179.94	182.83	223.24	182.24	243.34
Singapore (25)	203.31	+0.1	173.73	176.96	181.17	165.83	+0.1	2.02	203.09	174.39	177.16	181.76	165.74	208.25	151.63	207.28
South Africa (60)	215.52	−0.6	184.17	187.59	192.05	154.46	−0.6	3.70	216.89	186.25	189.19	194.11	155.44	216.89	173.00	189.88
Spain (41)	162.57	+0.9	138.92	141.51	144.87	130.74	+0.4	4.29	161.09	138.33	140.52	144.17	130.21	171.12	131.51	159.58
Sweden (27)	184.06	+0.8	157.29	160.22	164.02	167.76	+0.5	2.61	182.56	156.77	159.26	163.40	167.02	204.12	146.80	204.04
Switzerland (66)	94.97	+0.7	81.15	82.67	84.64	85.72	+0.5	2.26	94.31	80.98	82.27	84.41	85.33	100.87	82.17	101.13
United Kingdom (293)	172.62	+1.1	147.51	150.24	153.81	147.51	+0.6	4.94	170.70	146.59	148.89	152.77	146.59	187.44	156.27	155.82
USA (523)	151.92	−0.3	129.82	132.24	135.38	151.92	−0.3	3.23	152.38	130.84	132.91	136.37	152.38	158.24	125.95	145.01
Europe (935)	139.65	+0.7	119.33	121.56	124.45	122.17	+0.3	3.90	138.68	119.09	120.96	124.13	121.82	151.52	125.50	145.19
Nordic (109)	181.08	+0.3	154.74	157.62	161.37	157.26	+0.0	2.05	180.57	155.06	157.51	161.61	157.20	200.81	155.55	201.46
Pacific Basin (643)	138.36	+0.9	118.23	120.44	123.30	121.06	+0.8	1.04	137.12	117.75	119.61	122.72	120.09	145.92	117.86	151.40
Euro – Pacific (1578)	139.23	+0.8	118.98	121.18	124.07	122.39	+0.6	2.23	138.10	118.59	120.46	123.59	121.67	147.66	121.29	149.26
North America (640)	150.85	−0.3	128.93	131.35	134.47	149.34	−0.3	3.25	151.32	129.95	132.02	135.46	149.77	157.04	125.91	144.33
Europe Ex. UK (642)	119.56	+0.4	102.19	104.11	106.58	107.32	+0.0	3.11	119.13	102.30	103.94	106.65	107.29	129.80	106.85	137.00
Pacific Ex. Japan (191)	142.04	−1.9	121.37	123.65	126.58	128.46	−0.7	4.73	144.75	124.30	126.29	129.57	129.35	145.66	111.40	129.64
World Ex. US (1767)	140.39	+0.8	119.97	122.21	125.11	123.13	+0.5	2.29	139.34	119.65	121.56	124.71	122.46	148.16	122.32	148.42
World Ex. UK (1997)	140.36	+0.3	119.94	122.18	125.09	130.51	+0.2	2.34	139.96	120.19	122.10	125.28	130.26	145.77	120.06	145.64
World Ex. So. Af. (2230)	142.78	+0.4	122.01	124.29	127.24	132.02	+0.2	2.62	142.23	122.14	124.08	127.31	131.70	148.66	122.92	146.45
World Ex. Japan (1838)	147.36	+0.0	125.92	128.28	131.34	138.60	−0.1	3.55	147.36	126.54	128.56	131.91	138.74	152.83	126.89	144.89
The World Index (2290)	143.22	+0.4	122.38	124.67	127.63	132.19	+0.2	2.63	142.68	122.52	124.47	127.71	131.87	149.01	123.28	146.72

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Latest prices were unavailable for this edition.

LONDON SHARE SERVICE

BRITISH FUNDS

1991 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅞	98⅞	Treas 10pc Cv '91 ‡‡	99⅞	+1/32	10.02	11.20
100	99⅜	Exch. 11pc 1991	100	.....	11.00	10.86
98¾	96⅞	Treas. 8pc 1991	98¾xd	.....	8.11	10.59
101½	100⅞	Treas 12¾pc 1992‡‡	101⅜	.....	12.58	10.52
99⅝	97⅞	Treas 10pc 1992	99⅝	+1/16	10.04	10.45
98	95⅞	Treas. 8pc 1992 ‡‡	98	.....	8.16	10.35
100¼	98½	Treas 10½pc Cv 1992‡‡	100	−1/16	10.50	10.42
95¼	91⅞	Treas. 3pc 1992	95⅛xd	.....	3.16	8.00
102⅞	100⅝	Exch. 12¼pc '92	102⅜	−1/16	12.00	10.40
104¼	102⅞	Exch 13½pc 1992	103⅞	−1/16	13.02	10.31
96⅝	94	Treas 8¼pc 1993	96⅝	+1/16	8.52	10.22
99⅞	97⅜	Treas 10pc 1993‡‡	99⅝	−1/16	10.04	10.19
104⅞	102⅝	Treas 12½pc 1993‡‡	104⅛	−1/16	12.00	10.24
93⅛	89⅝	Funding 6pc 1993‡‡	93⅜	+1/16	6.43	9.23
108⅛	105⅝	Treas 13¾pc 1993‡‡	107⅜	−1/16	12.80	10.23
96	92⅞	Treas. 8¼pc 1994	95⅞	−1/16	8.86	10.25
111⅝	108⅜	Treas 14½pc 1994‡‡	110⅝	−1/16	13.17	10.25
109	105⅞	Exch 13½pc 1994	107⅞	−1/16	12.51	10.16
99⅞	96⅞	Treas. 10pc Ln. 1994‡‡	99⅝xd	.....	10.04	10.25
106⅞	103¾	Exch. 12¼pc 1994	105⅞	−1/16	11.80	10.28
96⅝	93¼	Treas 9pc 1994‡‡	96⅞xd	−1/16	9.33	10.21
106⅛	102⅜	Treas 12pc 1995	105⅛	−1/16	11.41	10.25
89	82¼	Exch 3pc Gas 90-95	88⅝	−1/16	3.38	6.18
100⅞	96⅞	Exch. 10¼pc 1995	99⅞	−1/16	10.26	10.25
109⅞	105⅝	Treas 12¾pc 1995‡‡	108⅛	−⅛	11.74	10.28
113⅞	109⅞	Treas. 14pc '96	112⅛	−⅛	12.47	10.53
96⅝	92⅞	Treas. 9pc 1992-96‡‡	96⅛	−⅛	9.34	9.96
119⅞	115⅞	Treas 15¼pc 1996‡‡	117¼	−⅛	12.95	10.50
112¼	108	Exch 13¼pc 1996‡‡	110½	−⅛	11.99	10.47
		Five to Fifteen Years				
100½	95⅞	Conversion 10pc 1996	98¼	−⅛	10.13	10.28
49⅞	48⅞	Do. 10pc 1996 B	48¼	−1/16	10.11	10.26
113⅞	108⅞	Treas 13¼pc 1997‡‡	111⅛	−⅛	11.92	10.55
102⅞	97¼	Exch 10½pc 1997	100⅜	−⅛	10.45	10.38
94⅞	89⅞	Treas 8¾pc 1997‡‡	92⅞	−⅛	9.43	10.32
122⅞	117	Exch 15pc 1997	119¾	−⅛	12.54	10.69
98⅞	93⅞	Exch. 9¾pc 1998	96⅞	−⅛	10.07	10.44
85⅞	80⅝	Treas 6¾pc 1995-98‡‡	84⅞	−⅛	7.96	9.83
127⅞	121⅜	Treas. 15½pc '98‡‡	124⅛	−⅛	12.47	10.63
109⅞	104⅜	Exch. 12pc 1998	107⅛	−⅛	11.18	10.54
97⅞	92⅞	Treas 9½pc 1999‡‡	95⅞	−⅛	9.93	10.32
111⅞	105⅞	Exch. 12¼pc 1999	108¼	−⅛	11.26	10.56
102⅝	97⅜	Treas. 10½pc 1999	100¼	−⅛	10.47	10.44
101⅞	95⅞	Conversion 10¼pc 1999	98⅞	−⅛	10.37	10.44
94⅞	89⅝	Conversion 9pc 2000‡‡	92⅞	−⅛	9.72	10.28
116⅝	110½	Treas. 13pc 2000	113⅝	−⅛	11.47	10.66
116⅝	113⅜	Do. 13pc 2000 A	113⅝	−⅛	11.47	10.65
100¼	94⅜	Treas 10pc 2001	97⅜	−⅛	10.25	10.39
118⅞	113⅜	Treas. 14pc '98-01	115⅞	−⅛	12.11	10.75

BRITISH FUNDS—Contd

1991 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
98⅝	92⅞	Treas 9¾pc 2002	95⅞	−⅛	10.19	10.39
100⅞	94⅜	Treas 10pc 2003	97⅜	−⅛	10.29	10.37
108¼	102	Treas. 11½pc 2001-04	105⅛	−⅛	10.92	10.58
58⅞	53⅜	Funding 3½pc '99-04	57⅛	−⅛	6.13	9.16
97⅛	90⅞	Conversion 9½pc 2004	93⅞	−⅛	10.11	10.32
97⅛	90⅞	Conversion 9½pc 2005	94	−⅛	10.11	10.29
118¼	111	Treas. 12½pc 2003-05	113⅞	−⅛	10.97	10.45
		Over Fifteen Years				
85⅛	79⅞	Treas. 8pc 2002-06‡‡	82⅛	−⅛	9.72	10.29
112½	105⅞	Treas. 11¾pc 2003-07	108¾	−⅛	10.80	10.40
90⅛	84⅛	Treas 8½pc 2007 ‡‡	86¾	−⅛	9.80	10.15
125⅝	118⅞	Treas. 13½pc '04-08	121¾	−⅛	11.12	10.40
94⅞	88⅞	Treas. 9pc 2008 ‡‡	90⅞	−⅛	9.90	10.09
94⅝	90⅞	Do. 9pc 2008 C	90⅞	−⅛	9.71	10.09
85⅞	80	Treas 8pc 2009	82⅛	−⅛	9.72	10.11
94⅝	88⅛	Conv 9pc Ln 2011 ‡‡	90⅞	−⅛	9.92	10.07
63⅛	58⅛	Treas. 5½pc 2008-12‡‡	60⅜	−⅛	9.10	10.00
82¼	76⅞	Treas. 7¾pc 2012-15‡‡	78⅞	−⅛	9.82	10.08
121⅛	113⅜	Exch. 12pc '13-'17	116½xd	−⅛	10.30	10.10
		Undated				
40⅛	37⅞	Consols 4pc	38⅞	−⅛	10.31	–
35⅞	33⅜	War Loan 3½pc‡‡	34⅞xd	−⅛	10.13	–
59⅝	57⅞	Conv. 3½pc '61 Aft	58¼	−⅛	6.01	–
29¾	28¼	Treas. 3pc '66 Aft	28⅞	−⅛	10.37	–
25⅛	23⅝	Consols 2½pc	24⅛	−⅛	10.23	–
25¼	23⅞	Treas. 2½pc	24⅛	−⅛	10.34	–
		Index–Linked (b)			(1)	(2)
128¾	125⅛	Tr. 2pc '92‡‡ (97.8)	128¼	+½	2.21	4.59
118⅛	115⅛	Do. 2 '94 (102.9)	118⅛	+⅛	3.33	4.25
172⅞	168⅞	Do. 2pc '96 (67.9)	172⅝	+⅛	3.47	3.99
142⅛	137⅛	Do 2½pc '01 (78.3)	142⅛	+⅛	3.87	4.17
137⅞	133	Do. 2½pc '03 (78.8)	137⅞	+⅛	3.97	4.23
139⅞	135	Do. 2pc '06 (69.5)	139⅞	+⅛	4.04	4.26
128⅛	124⅛	Do. 2½pc '09 (78.8)	127⅞	+⅛	4.08	4.28
132⅜	128⅛	Do. 2½pc '11 (74.6)	132⅛	+⅛	4.09	4.26
109¾	105⅛	Do. 2½pc '13 (89.2)	108¼	−⅛	4.08	4.25
117½	113⅛	Do. 2½pc '16 (81.6)	116½	.....	4.06	4.22
113⅞	109⅞	Do. 2½pc '20 (83.0)	112½	−⅛	4.03	4.17
95¼	91⅞	Do. 2½pc '24‡‡ (97.7)	94⅞	−⅛	3.98	4.11

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for September 1990: 129.3 and for April 1991: 133.1.

INT. BANK AND O'SEAS

1991 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
102	95⅞	African Dv Bk 11¼ Ln 2010	99⅞	.....	11.18	11.18
97⅞	91⅞	Asian Dev Bk 10¼pcLn2009	95¼	.....	10.76	10.85
112⅛	105⅞	Int-Am Dev Bk 12½pc 2003	109⅞	.....	11.39	10.99
92⅞	86⅞	Do. 9¾pcLn 2015	90⅛	.....	10.81	10.91
121	101	Utd. Mexican States 16½pc 2008	121	.....	13.64	13.34

CORPORATION LOANS

1991 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
103½	100½	Birmingham 11½pc 2012	100½	.....	11.44	11.44
96½	93½	GLC 6¾pc 1990-92	96½	.....	6.99	11.20
115⅝	110½	Leeds 13½pc 2006	113½	.....	11.89	11.62
30	28	Liverpool 3½pc Irred	30	.....	11.67	–
27	26	LCC 3pc '20 Aft	26	.....	11.54	–
103½	97½	Manchester 11½pc 2007	99½	.....	11.56	11.58

COMMONWEALTH & AFRICAN LOANS

1991 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
90	84½	Sth Rhod. 87-92 Assd	90	.....	–	–

LOANS

Building Societies

1991 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
104½	102½	N'wide Anglia 3¾pc Ln 2021	103½	.....	–	5.45
107	104¼	Do. 4.25pcIL '24	106¼	.....	–	4.97

Public Board and Ind.

1991 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
53	52	Met. Wtr. 3pc 'B'	52	.....	5.77	9.70

FOREIGN BONDS & RAILS

1991 High	Low	Stock	Price £	+ or –	Div % Gross	Red. Yield
50	50	Greek 7pc Ass.	50	.....	3.50	f7.00
50	50	Do. 6pc 28 Stb. Ass.	50	.....	3	f6.00
50	50	Do 4pc Mixed Ass.	50	.....	2	f4.00
55	55	Hung. '24 Ass.	55	.....	2.75	f3.57
128	120⅞	Hydro Quebec 15pc 2011	124¼	.....	12.89	11.81

Continued on next page

LONDON SHARE SERVICE

AMERICANS

1991 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
30¼	20⅞	Abbott Laboratories	29¾	−⅝	$1.00	—	2.0
363p	257p	♥Allegheny & W 1c	331p	−3	30c	—	5.4
980p	667p	Amdahl 5c	914p	−15	10c	—	0.6
37⅞	25⅝	Amer. Cyanamid $5	36¼	−1⅛	$1.50	—	2.4
17⅞	9½	Amer. Express 60c	13⅞	−⅞	92c	—	4.1
22½	15¼	American T. & T. $1	20⅞	−⅛	$1.32	—	3.8
38⅞	32½	Ameritech $1	33¼	−3⅞	$3.16	—	5.6
23¼	12⅜	BankAmerica $1⅝	22⅞	−⅞	$1.20	—	3.2
29⅞	20⅝	Bankers N.Y. $1	28⅝	−⅛	$1.52	—	10.2
29⅞	24¼	Bell Atlantic $1	26½	−½	$2.36	—	5.3
31¼	25	BellSouth Corp.	27½	−⅛	$2.68	—	5.8
8⅞	6⅜	♥Bethlehem Steel $8	8⅜	−⅛	40c	—	2.8
1536p	1046p	Bowater Inc.	1454p	−40	$1.20	—	4.9
8⅝	4½	Brunswick 75c	7¼	−⅛	44c	—	3.4
52¼	37⅜	CPC Intnl. 25c	50⅜	−⅞	$2.00	—	2.4
852p	420p	California Engy	726p	......	—	—	—
50	28¼	Campbell Soup 15c	46½	−½	$1.16	—	1.5
11½	5⅜	Chase Manhattan $12½	10⅞	−⅝	$1.20	—	6.8
8⅞	5½	Chrysler $6¼	7⅜	−⅛	60c	—	4.9
9⅞	5⅞	Citicorp $1	8⅝	......	$1.00	—	6.6
24¼	21⅜	Colgate-Palmolive $1	22⅞	......	$1.08	—	2.7
830p	436p	Cont'l Bank Corp $4	799p	+15	$1.00	—	7.4
19¼	13⅞	Dana Corp. $1	18¼	−⅛	$1.60	—	5.0
1056p	203p	Data General	958p	+21	—	—	—
20¼	12⅞	Dial Crop. $1.5	20⅛	+⅛	$1.32	—	4.1
29	20⅛	Dun & Bradstreet $1	26¼	−¼	$2.16	—	4.8
35¼	24¼	Eaton Corpn. 50c	30⅞	−½	$2.20	—	—
7½	5½	Echlin Inc.	6⅝	−⅛	70c	—	6.2
18⅞	14⅛	FPL Group 1c	18⅛	−⅛	$2.40	—	7.8
28⅛	17⅞	Fluor Corp 62½pc	27⅛	−⅛	32c	—	0.7
19¼	13⅝	Ford Motor $1	18⅞	−⅛	$1.60	—	3.1
43⅝	28⅜	Gen. Elect. 63c	41⅝	+⅜	$2.04	—	2.9
477p	270p	♥General Host Corp $1	468p	+3	34c	—	4.3
45¼	21⅛	Gillette $1	21¼	−20⅞	62c	—	1.7
91p	35p	Gt American Bank $1	43p	+6	—	—	—
		For Greyhound Dial Corp. see Dial Corp.					
17	794p	Hasbro Inc 50c	16½	−⅛	24c	—	0.9
36½	21¼	Honeywell $1½	32⅜	−⅛	$1.50	—	2.7
22⅞	17⅞	Houston Inds.‖	21¼	−⅛	$2.96	—	8.2
72⅛	55⅛	IBM Corpn $1¼	60½	−½	$4.84	—	4.7
28⅞	18⅞	Ingersoll-Rand $2	26⅞	−⅜	$1.32	—	3.0
26¼	16⅛	Lockheed Crpn $1	23⅞	−⅛	$1.80	—	4.5
24⅞	18⅛	Louisiana Land 15c	20⅝	−⅜	$1.00	—	2.9
2000p	1245p	Lowe's 50c	1713p	−44	52c	—	1.8
16⅝	9½	Manuf. Hanover $1	13⅞	......	$3.28	—	13.9
24⅛	10⅛	Merrill Lynch $1	21½	−⅜	$1.00	—	2.7
18⅝	11½	Molex Inc.	15⅞	−⅜	4c	—	0.1
31⅞	21⅝	Morgan (JP) $2½	30⅛	−⅛	$1.98	—	3.9
40⅛	25⅞	Morris (Philip)	38⅞	......	$1.72	—	2.6
43¼	39	NYNEX $1	39⅝	−¼	$4.56	—	6.8
89p	42p	♥Pac. Agricultural	42p	......	—	—	—
21⅞	11⅞	Pall Corp. 25c	20⅞	−⅛	b44c	—	1.3
44¼	33¼	Pennzoil 83 1/3c	38¼	−1⅞	$3.00	—	4.6
34½	24⅞	Quaker Oats $5	32⅞	−⅜	$1.56	—	2.8
36⅛	24⅛	Rep NY Corpn $5	33⅞	−⅛	$1.40	—	2.5
16⅝	12⅛	Rockwell Intl. $1	15	−⅛	86c	—	3.6
23⅜	12⅞	Sears, Roebuck 75c	22⅛	−⅛	$2.00	—	5.3
32	25⅝	Southwestern Bell $1	28⅞	−½	$2.84	—	5.8
20¼	14⅛	Sun Co. Inc. $1	18⅜	−⅜	$1.80	—	5.8
26⅞	21⅞	Tenneco $5	24⅛	−⅛	$3.20	—	7.2
40½	29⅜	Texaco $6.25	36⅞	−⅜	$3.20	—	5.1
26¼	17¼	Texas Instr. $1	21⅞	−½	72c	—	2.0
71½	41⅞	Time Warner $1	65⅞	+⅛	$1.00	—	0.9
14¼	8⅞	TRINOVA Corp.	12⅞	+⅛	68c	—	3.1
19⅞	14¼	USX $1	19⅛	......	$1.40	—	4.3
390p	250p	♥Unilab	390p	......	—	—	—
27½	22⅞	Utd. Technologies	25⅛	−⅛	$1.80	—	4.2
60p	42p	♥Utilitech Inc.	60p	......	—	—	—
23	18¼	US West‖	20⅞	−⅛	$2.08	—	5.9
23⅞	16⅝	Waste Management $1	22½	+⅛	44c	—	1.2
1925p	1053p	Whirlpool $1	1764p	+22	$1.10	—	3.7
19¼	13½	♥Woolworth $3½	17¼	−⅛	$1.08	—	3.7

CANADIANS

1991 High	Low	Stock	Price	+ or −	Div Gross	C'vr	Y'ld Gr's
10p	8½p	♥Abbot Energy Corp.	10p	......	—	—	—
1179p	953p	♥Amer. Barrick Res.	1096p	−40	8c	—	0.4
19⅛	13	Bk. Montreal ‖	19⅛	+⅛	$2.12	—	5.6
860p	536p	Bk. Nova Scot.‖	839p	−5	$1.00	—	6.1
759p	639p	♥BC Gas $1	752p	+8	60c	—	4.1
21⅞	17¼	BCE ‖	21⅛	−⅛	$2.56	—	6.1
10	647p	♥Brascan‖	977p	−12	$1.04	—	5.4
36p	19½p	♥Breakwater Res.	26p	......	10c	—	19.6
1645p	1180p	Can. Imp Bank‖	1604p	−9	$1.32	—	4.2
10⅞	855p	Can. Pacific ‖	952p	−25	92c	—	4.9
36	30	Do. 4pc Deb £100	35	......	04%	—	13.2
335p	170p	♥Central Cap 'A' ‖	269p	−15	60c	—	11.4
250p	197p	♥Cons TVX Min.	234p	......	—	—	—

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS – Contd

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY AND STORES – Contd

ELECTRICALS

ELECTRICITY

ENGINEERING

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS (Miscel.) – Contd

INDUSTRIALS (Miscel.) – Contd.

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LEISURE

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Garages and Distributors

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NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRANSPORT

[illegible]

TRANSPORT—Contd

[illegible]

INVESTMENT TRUSTS

[illegible]

INVESTMENT TRUSTS—Contd

[illegible]

Net asset values supplied by County NatWest Wood Mackenzie

FINANCE, LAND, ETC

[illegible]

WATER

[illegible]

OIL AND GAS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

MINES—Contd

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL & IRISH STOCKS

[illegible]

IRISH

9pc Cap Ln. 1996	£98½	+¼
Fin. 13% 97/02	£114¾	
Arnotts	160¼	

TRADITIONAL OPTIONS

3-month call rates

Industrials

	p
Allied-Lyons	46
Amstrad	7
Astec (BSR)	6
BAT	60
BOC Grp	31
BTR	33
Barclays	38
Blue Circle	24
Boots	30
Bowaters	53
Brit Aerospace	56
British Steel	12
Brit. Telecom	29
Cadburys	33
Charter Cons	45
Comm Union	44
Courtaulds	32
Eurotunnel	50
FKI	6
FNFC	20
Gen Accident	48
GEC	17
Glaxo	80
Grand Met	62
Guardian	19
GKN	31
Hanson	19
Hawker Sidd	39
ICI	80
Ladbroke	22
Legal & Gen.	36
Lex Service	20
Lloyds Bank	30
Lucas Inds	13
Marks & Spencer	21
Midland Bk	18
Nat West Bk	27
P & O Dfd	51
Racal Elect	18
RHM	28
Rank Org Ord	63
Ratners	27
Reed Intnl	36
Sears	8½
SmKl. Beecham A	58
TI	45
TSB	12
Tesco	21
Thorn EMI	64
Trust Houses	23
T&N	15
Unilever	60
Vickers	19
Wellcome	40

Property

Brit Land	30
Control Secs.	3
Land Securities	45
MEPC	48
Mountleigh	8½

Oils

Aviva Petlm	3
Brit Petroleum	28
Burmah Castrol	49
Conroy Petlm	10
Gaelic Res	1
Premier	6
Shell	41
Tuskar Res	2
Ultramar	30

Mines

Lonrho	21
RTZ	48

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FINANCIAL TIMES
Weekend May 25/May 26 1991

Funeral brings pause in party leadership question

Rajiv Gandhi is cremated

By David Housego in New Delhi

Mr Rahul Gandhi, the only son of Mr Rajiv Gandhi, yesterday lit his father's funeral pyre in a cremation ceremony on the banks of New Delhi's Yamuna River.

Mr Gandhi's widow, Sonia, stood by in a white funeral sari, her face tense with grief, and watched her 20-year-old son put the torch to the pyre as Hindu priests chanted sacred texts. Hindu tradition is that the eldest son plays the main role in the cremation ceremony.

As the flames rose, bugles sounded the last post and cries of "Rajiv Gandhi *aram rahe*" (long live the memory of Rajiv Gandhi) rose from the crowd.

The ceremony was carried out close to the site where Mr Gandhi's mother, Mrs Indira Gandhi, and his younger brother, Mr Sanjay Gandhi, were cremated after their violent deaths.

The funeral, which was attended by India's political leaders and foreign dignitaries from throughout the world, brought a temporary pause to the hectic manoeuvring within the Congress (I) party over who will take over the leadership. Former close associates of Mr Gandhi – many of whom have no firm electoral base – renewed their efforts yesterday to persuade Mrs Sonia Gandhi to accept the presidency.

Other senior party figures are in favour of an interim president being appointed, such as Mr P.V. Narasimha Rao, the former foreign minister, and Mr N.D. Tiwarai, a former finance minister and chief minister of Uttar Pradesh.

The election commissioner said that he had rejected requests to bring forward the last two days of polling. Confirming that voting would be held on June 12 and 15, he said that only the Congress party had favoured an earlier date.

Before the cremation, India honoured Mr Gandhi with a four-hour state funeral procession through the streets of Delhi.

His body was lifted on to a gun carriage at Teen Murti house – his childhood home and where he lay in state – by the chiefs of the armed services. A helicopter scattered rose petals over it.

Crowds were not as large on the route as they had been for his mother's funeral. But yesterday's ceremony was held in the full heat of midsummer and with minimum public transport operating.

When the procession arrived at the cremation site, the body was lifted on to a brick platform where the funeral pyre had been placed.

Mr Rahul Gandhi, who flew back from the US where he is studying at Harvard, then scattered water over the pyre in conformity with Hindu rites before setting it alight.

L K Advani, Man in the News, Page 6

Nissan UK is refused order on dealerships

By Kevin Done, Motor Industry Correspondent

NISSAN UK, the privately-owned British distributor of Nissan vehicles, was refused an injunction against Nissan Motor yesterday, opening the way for the Japanese car group to set up its own UK dealer network.

Nissan's network and British distribution operation is planned to come into effect from the start of next year.

NUK said last night that it would appeal against both yesterday's High Court decision and a ruling earlier this week that its disputes with Nissan should be referred to arbitration in Japan rather than the English courts.

Yesterday's ruling, if upheld by the Court of Appeal, is likely to lead to considerable upheaval in the UK retail motor industry, as:

- the 160 Nissan dealerships owned by Automotive Financial Group Holdings, an NUK-related company and the biggest UK car motor retailer, are forced to find new franchises to replace Nissan;
- Nissan Motor seeks to find alternative UK dealerships to fill its own network, which is to be run by a newly-created subsidiary, Nissan Motor (GB). There are at present around 380 Nissan dealerships in the network created by NUK.

NUK, which is controlled by Mr Octav Botnar, a 77-year-old German national, has held the exclusive UK importer/distributor franchise for Nissan vehicles for 21 years since the beginning of 1971.

Vice Chancellor Sir Nicolas Browne-Wilkinson, the senior judge of the High Court chancery division, ruled yesterday against NUK's application for an injunction on the grounds that there was "no trust or confidence" remaining between the two companies and that there was "no effective relationship".

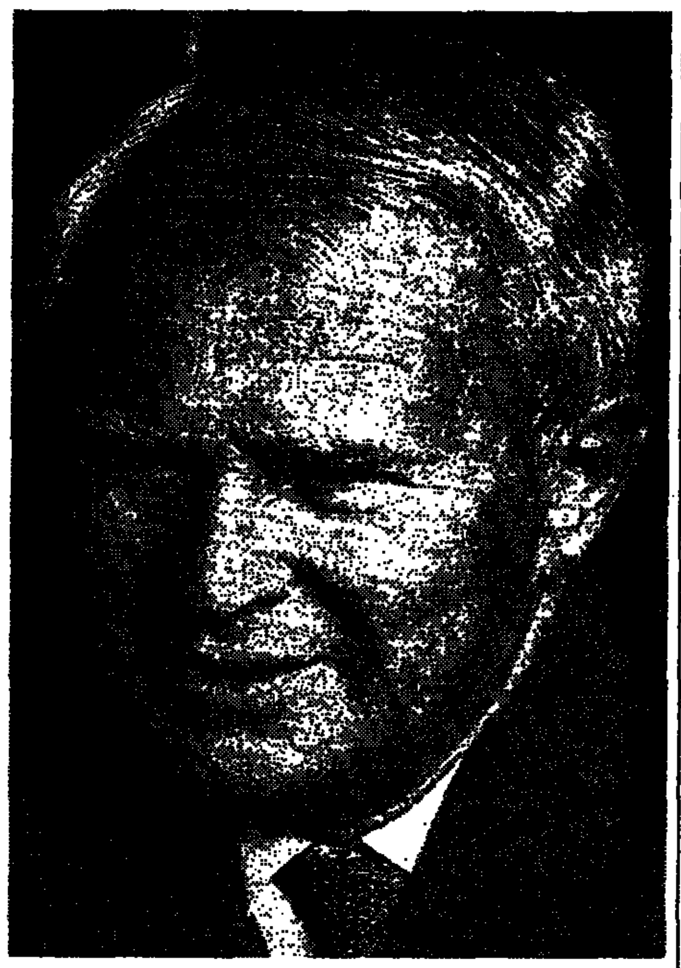
He said the relationship "had broken down beyond repair" and that to continue it was "likely to be extremely counter-productive" for both companies.

The relationship was "verging on the intolerable". Not only had "commercial amity and co-operation" gone, but it had also "got into the realm of personal abuse".

Sir Nicolas said the case was of "considerable complexity". It would take a "considerable time" to resolve and indicated that arbitration in Japan could last for four years or more.

He said he had borne in mind the "great damage" that NUK would suffer by his ruling. If it turned out that Nissan Motor had been "up to Machiavellian devices" to force NUK deliberately out of business, it would be "a great injustice". Until the facts were known it would be impossible "to decide where blame lies".

Sir Nicolas ruled on Monday that the English courts had no jurisdiction over the dispute and that it should be referred to arbitration in Japan.



Octav Botnar: Judge said NUK may suffer 'great damage'

France attacks US telecom practice

By George Graham in Paris

THE FRENCH government yesterday widened the scope of the "economic war" launched by its new prime minister, Mrs Edith Cresson, with an attack on protectionism in the US telecommunications market.

Mrs Elisabeth Guigou, minister for European affairs, criticised AT&T, the US telecommunications group, and the local Bell telephone networks for systematically excluding foreign suppliers from equipment procurement procedures.

"I cannot be satisfied with the practices of AT&T and the Bell operating companies on the American market. This is a protectionism that dare not say its name," Mrs Guigou said.

"AT&T buys almost all of its network equipment from companies within its own group and gives them internal subsidies so that they can bid lower than potential competitors. As for the Bell operating companies, they have a monopoly in fact and in law but they have no obligation to respect public bidding procedures."

The new French government has mainly criticised Japanese protectionism since taking office 10 days ago, drawing a stinging riposte yesterday from Mr Eiichi Nakao, the Japanese minister for international trade and industry, who said that France was a paragon among closed markets.

The attack on US protectionism follows Washington's decision earlier this week to file a new complaint with Gatt against subsidies given to Airbus, the European passenger aircraft consortium.

"Our reaction is not to shut ourselves in our own protectionism, but to demand that other people dismantle their protectionism," Mrs Guigou said.

French officials said that the Bell operating companies, which account for 80 per cent of US telephone traffic, bought two thirds of their equipment from AT&T – which was their parent until the US federal courts ordered the separation of local from long distance services – and a third from Northern Telecom of Canada.

Bell operating companies bought only 1 per cent of their equipment from suppliers from outside North America whereas the independent long distance telephone companies bought 30-40 per cent of their equipment abroad, they said.

The European Community has demanded in the negotiations about the General Agreement on Tariffs and Trade that these organisations, which hold a monopoly on local telephone services in their respective areas, should be subjected to the same open bidding rules as are in force in the public sector.

Cresson orders rethink, Page 2
UK – EC tensions, Page 3

Ethiopian falashas airlifted by Israel

By Julian Ozanne in Addis Ababa and **Hugh Carnegy** in Jerusalem

ETHIOPIA, at the request of President George Bush, yesterday allowed Israel to begin an emergency airlift of up to 16,000 Ethiopian Jews trapped in the capital Addis Ababa.

The airlift began as senior US officials confirmed that Asmara, the besieged northern provincial capital of Eritrea and base for the government's 120,000-strong Second Revolutionary Army, had fallen to the secessionist Eritrean People's Liberation Front.

Members of a second rebel group, the Ethiopian People's Revolutionary Democratic Front, appeared to be honouring promises made by their leader, Mr Meless Zenawi, to refrain from entering the capital during US-sponsored peace talks in London, which are due to start tomorrow or Monday.

Instead EPRDF fighters continued to swing southwards, encircling the city to exert pressure on the regime to sue for peace in London.

The British Foreign Office advised the 400-strong British community to leave Addis Ababa and said it was willing to charter special aircraft.

At Addis Ababa's Bole airport several unmarked Israeli aircraft – including two C130 Hercules transporter aircraft with Israeli military personnel aboard, and at least four Boeing jets – prepared to evacuate the Ethiopian Jews, known locally as falashas, to Israel.

At least three aircraft, one a Boeing 747, took several hundred falashas out of the country. The operation is expected to work around the clock over the next three days.

Outside the Israeli embassy compound in Addis Ababa thousands of falashas in worn clothes and white muslin shawls gathered. There was chaos as plain clothes Israeli security personel with radios attempted to identify them and whisk them on to waiting buses.

US officials said Mr Bush had sent a letter to Mr Tesfaye Dinka, Ethiopian prime minister, on Tuesday asking the government to assist with the evacuation of the Ethiopian Jews. Israeli President Yitzak Shamir called President Bush yesterday to thank him for his help with the evacuation.

The falashas, believed by the Jews to be one of the lost tribes of Israel, have been at the centre of controversy since 1985 when Israel airlifted 12,000 in a secret evacuation via Sudan, codenamed Operation Moses.

When Israel re-established diplomatic relations with Addis Ababa in November 1989 it was widely belived that a "go for falashas" deal had been concluded. The falashas have also been the subject of intense efforts by the American Jewish lobby.

The Israeli authorities maintained strict censorship on news of the latest airlift. Local media were barred from publishing the story and foreign correspondents from transmitting details sourced in Israel.

The sensitivity was partly due to memories of Operation Moses. When news was leaked by an Israeli magazine the operation was only half completed and the embarrassed Sudanese authorities halted the flights.

THE LEX COLUMN

An old-fashioned London fog

The 12-point drop in the London market in response to the latest base rate cut is clear enough proof of the prevailing mood of apathy. But the signs were there already. In the 10 days since Lord Hanson popped up on ICI's share register, the FT-SE has risen just seven points. In the 10 days after the Goldsmith bid for BAT in 1989, it rose 100 points. In response to economic fog and political drift, the market has settled for its usual expedient of following Wall Street with minute exactness. The lead has not amounted to much; in the past month, both markets have fallen just 1 per cent.

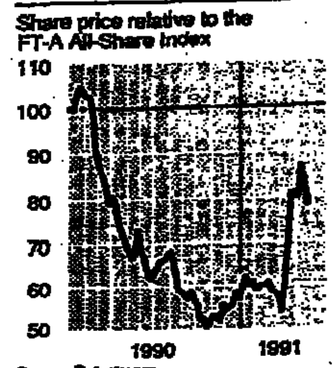
The outlook on the corporate front is as hard to discern as ever. Yesterday's decision to cut rates by only half a point was doubtless based purely on domestic considerations; sterling, certainly, received the news with indifference. It ought to follow that the authorities are still primarily concerned with inflation, which is rather at odds with yesterday's evidence from the Confederation of British Industry that factory gate price rises are still slowing.

It is also hard to reconcile with the almost unanimous opinion of companies reporting this week that no upturn in the UK economy is expected before the fourth quarter of this year at the very earliest. But it may be that the market is correctly priced in relation to just such a prospect. In that case, the sideways drift will continue.

FT-SE Index: 1,932.5 (-12.9)

Devenish

Share price relative to the FT-A All-Share Index



Source: Datastream

Cray/SD-Scicon

SD-Scicon's long-running failure to sort out its loss-making software contracts has, for some time, made it vulnerable to a bid such as that launched by Cray Electronics yesterday. But fixed-price software is an area where Cray's management has no real experience, despite its proven record elsewhere. Though the £111m offer would halve Cray's gearing to 63 per cent, it would also more than double its shares in issue. This represents a hefty dilution for a company that is itself paying no dividend and forecasting pre-tax profit of only £3.2m this year. Set that alongside SD-Scicon's 1990 loss of nearly £20m and it is hard to see why the Cray move makes much sense at all.

At yesterday's closing price of 40p, SD-Scicon investors have a chance of getting out above the cash alternative of just over 37p. British Aerospace, with nearly 25 per cent, has said it will accept payment in Cray equity unless another bidder offers more. The latter must be SD-Scicon's best hope. With sales of £256m last year and healthy businesses in both the US and France, it claims it is being bid for on the cheap. If that were true, one wonders why another buyer had not already shown its hand.

Devenish

To the untutored eye, it might have seemed that Whitbread's intervention this week in Boddington's £110m bid for Devenish would have scuppered the whole deal. Not a bit of it. Whitbread's action in buying Devenish's brands and contracting to brew its beer may have made the bid less attractive for Boddington. But the market has not despaired. The Devenish price closed yesterday at 219p, 9p over the cash offer and dead in line with the share alternative.

There is no denying that this week's developments display a certain low cunning on Whitbread's part. Since it already brews Boddington's beer, it was open to the risk that if Boddington secured Devenish, shut its brewery and gave the business to Whitbread, it would then demand large discounts on the combined volume. By buying Devenish's brands for itself, Whitbread has forestalled its existing client and secured the new volume on its own terms. But Boddington never wanted Devenish's beer, only its pubs. Though it is now much less likely to raise its bid – hence the weakness in the Devenish price this week – there is no obvious reason why the pubs should not still be worth the original bid price.

For Devenish shares, the downside risk is twofold. First, Devenish's profits forecast next week could be strong enough to put it out of reach, particularly since this week's deal may, in itself, have increased prospective earnings. Second, the Whitbread Investment Company – supposedly distinct from Whitbread the brewer, though now consolidated within its results – might swing its 15 per cent Devenish holding against the bid. But a strong enough forecast would underpin the shares in their own terms. As for Whitbread, it might well feel it has caused enough upset among the regional brewers to be getting on with.

UK building

There is clearly froth yet to be blown off share prices in the building sectors. The likes of Blue Circle and Tarmac have not minced words about the depth of their gloom in recent weeks. Yet the market was still not prepared for the bluntness of RMC's warning yesterday that it sees no indication of recovery in the UK in the second half. RMC's share price slid a further 4 per cent to 637p. Since early March, the building materials and contracting and construction sectors have underperformed the market by 10 and 8.5 per cent respectively.

The story is not just one of expectations disappointed by postponement of the upturn. Earlier in the year, construction companies in particular were driven to multiples in the high teens on unrealistic hopes for work in Kuwait. Then the rights issue trickle turned into a flood. What is apparent now is that the trading environment has turned out exceptionally tough, while those companies which budgeted for a pick-up before the end of the year are rapidly re-working their sums for the next six months. Pricing is tight for RMC and Blue Circle since the demise of the industry cartel, while the collapse in commercial property construction is also taking its toll on volumes. The UK's brick mountain is getting bigger and bigger.

At least the market can now assume that the cash call bonanza has ground to a halt. Norcros, BPB, Pilkington and Steetley may be among those companies which feel they have missed the boat. In RMC's case – and Redland's – it is worth remembering that European operations, notably Germany, continue to trade strongly. But whereas the UK contractors are around their 25-year relative low, the building materials sector is still well off the bottom.

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (Dm)			
Rises			
AG Ind & Verk	895	+	49
Allianz AG	2490	+	62
Brown Boveri	1290	+	30
Muench Rueck	2575	+	45
Schering	808	+	20
Falls			
Heideib Zem	1165	−	25
NEW YORK ($)			
Rises			
Apple Computer	46	+	7/8
Coventry	18	+	1 1/4
IBM	105	+	3/8
Microsoft	110 1/2	+	1
Falls			
Continuum	15 5/8	−	3/8
Orion Pictures	4	−	3/8
PARIS (FFr)			
Rises			
From C et Auv	2240	+	69
Gal Lafayette	1798	+	85
Radiotechn	596	+	26
Falls			
Arjomari Prioux	2020	−	199
Cetelem	695	−	20
Sommer-Allibert	1568	−	124
TOKYO (Yen)			
Rises			
Iwata Air	940	+	100
Tokai Kogyo	1320	+	120
Matsui Constr	1820	+	160
Falls			
Shockiku	2090	−	310
Teikoku Sen-I	1290	−	180
Katakura Inds	1840	−	220

New York prices at 12.30pm.

LONDON (Pence)			
Rises			
Fife Indmar	89	+	8
Jarvis Porter	133	+	6
Geevor	4 1/2	+	1 1/4
Plysu	158	+	6
SD-Scicon	40	+	3 1/2
Std. Chartered	371	+	8
Tilbury	693	+	8
Whitbread A	493	+	7
Falls			
Archer (AJ)	103	−	8
Central TV	635	−	8
City Lon. PR	43	−	3
Cookson	118	−	8
Kingfisher	473	−	11
Laporte	533	−	22
RMC	637	−	24
Reed Int.	408	−	11

Polly Peck

Continued from Page 1

the newspaper and if any Polly Peck funds had been used in the purchase, they had been offset by transfers of funds from himself or his family to the group before any payment was made. "As yet, I have not been provided with the appropriate evidence to support this statement," Mr Morris said.

His investigations were continuing. He would shortly present a more detailed report to the committee of creditors, elected at the end of yesterday's meeting. Its composition will be announced next Tuesday and it is due to meet for the first time on Wednesday.

Mr Morris declined to comment on possible further action he might be contemplating.

A shareholder who said he and his wife had lost much of their life savings when Polly Peck collapsed asked if the company's auditors should not have discovered the discrepancies in the accounts. Mr Morris said: "Yes. Auditors are expected to discover significant discrepancies in the accounts of companies they are auditing."

Hanson bid for ICI

Continued from Page 1

how to proceed. It will watch ICI's performance closely to be ready to move should its management fail to improve profitability by cutting costs dramatically, developing the pharmaceuticals business and disposing of other assets.

Should political obstacles prove insurmountable and if ICI managers restructure the group, Hanson would probably regard its stake as merely an investment to be sold.

However, a range of other possibilities is being considered by Hanson advisers. These include the purchase of businesses ICI wants to dispose of, the acquisition of a long-term stake of 20 per cent to give it greater influence over management, or a joint venture involving another drugs group to create an independent pharmaceuticals group.

WORLDWIDE WEATHER

UK today: Mist and fog will give way to a clear, breezy day with some sunshine as a zone of high pressure covers Britain. Showers in the north, south east England and coastal areas, with patchy fog and drizzle in Scotland and Northern Ireland.
Outlook: Mainly dry, with some sunshine, particularly in the south and west.

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	20	68	Bordeaux	S	21	70	Dallas †	F	22	72	Innsbruck	C	8	46
Algiers	-	-	-	Boulogne	C	13	55	Dublin	S	20	68	Inverness	C	17	63
Amsterdam	S	13	55	Bristol	C	20	68	Dubrovnik	C	9	48	Isle of Man	S	16	61
Athens	F	18	66	Brussels	F	13	55	Edinburgh	F	20	68	Istanbul	F	20	68
Bahrain	S	28	82	Buenos Aires	-	-	-	Faro	F	24	75	Jersey	C	16	61
Barcelona	S	21	70	Budapest	F	12	54	Florence	S	20	68	Johannesburg	S	22	72
Belfast	Dr	12	54	Cairo	S	29	84	Frankfurt	C	12	54	Las Palmas	S	22	72
Belgrade	C	13	55	Cape Town	R	13	55	Geneva	S	16	61	Leeds	F	18	64
Berlin	F	9	48	Cardiff	F	21	70	Gibraltar	S	20	68	Lisbon	S	28	82
Biarritz	S	18	64	Chicago †	F	23	73	Glasgow	F	17	63	Locarno	S	23	73
Birmingham	C	19	66	Cologne	F	12	54	Guernsey	C	15	59	London	C	15	59
Blackpool	C	13	55	Copenhagen	F	13	55	Helsinki	C	12	54	Los Angeles †	C	13	55
Bombay	F	33	91	Corfu	F	20	68	Hong Kong	C	30	86	Luxembourg	F	13	55

		°C	°F			°C	°F			°C	°F			°C	°F
Madeira	S	25	77	Nairobi	F	23	73	Prague	F	11	52	Tangier	S	28	82
Madrid	S	24	75	Naples	C	20	68	Reykjavik	Dr	10	50	Tel Aviv	S	23	73
Majorca	S	26	79	Nassau	-	-	-	Rhodes	F	21	70	Tenerife	S	22	72
Malaga	S	24	75	Newcastle	C	16	61	Rio de Janeiro	-	-	-	Tokyo	S	21	70
Malta	S	21	70	New Delhi	S	40	104	Rome	F	17	63	Toronto †	C	18	64
Manchester	F	18	64	New York †	C	18	64	Salzburg	H	9	48	Tunis	S	28	82
Melbourne	C	18	64	Nice	S	21	70	S'Francisco †	S	12	54	Valencia	S	24	75
Mexico City	-	-	-	Nicosia	F	23	73	Santiago	-	-	-	Venice	F	17	63
Miami †	F	27	81	Oporto	S	30	86	Seoul	R	21	70	Vienna	F	9	48
Milan	C	17	63	Oslo	F	13	55	Singapore	-	-	-	Warsaw	F	10	50
Montreal †	F	21	70	Paris	S	16	61	Stockholm	F	9	48	Washington †	S	22	72
Moscow	C	15	59	Peking	R	17	63	Strasbourg	S	14	57	Wellington	S	15	59
Munich	F	8	46	Perth	S	17	63	Sydney	C	17	63	Zurich	F	13	55

Temperatures at midday yesterday † Noon GMT temperatures C–Cloudy Dr–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sunny Sl–Sleet Sn–Snow T–Thunder

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Weekend FT

SECTION II Weekend May 25/May 26 1991

Bigotry and death, democracy and hope

Gandhi's death threatens to tear India apart but **Pran Chopra** *sees unsuspected strength in Indian society*

THE ASSASSINATION of Rajiv Gandhi, his face blown off, the skull smashed, limb torn from limb, must be one more proof, for those wishing to believe it, that India cannot hold together much longer.

The idea is reinforced by the recent rioting during India's most violent election, which left many scores dead. This was a re-run of what had happened only seven years earlier, when Rajiv's mother, Indira Gandhi, was assassinated in a political-religious eruption. Rioters took over Delhi and killed several thousand. For years Indira Gandhi had been the only government, and none was left when she fell to the bullets of her own security guards.

Repeatedly, as the Indian drama has unfolded since independence, on August 15 1947, fate seems to slip in episodes from the same reel of violence. The most startling was the assassination of another Gandhi, the Mahatma, on January 30 1948. The most gruesome was the bloody massacre of the partition riots, when hundreds of thousands were killed within a few weeks.

The grim greyness of Hindu-Muslim riots, between opposing mobs which look alike in their poverty rags and criminal rage, is a danger ever present behind every disturbance. But often, all too often, it is broken by holocausts with more vivid colour: head-hunting tribes in the north-east battling the Indian army with their own underground "field marshals" and "generals"; the silvery peace of Kashmir ending in the wailing of hundreds of Muslim women clad in black; the flowing beards of Sikh militants at the Golden Temple in Amritsar, now as often seen carrying AK.47 rifles as naked swords.

The latest tumult in this unfortunate line is also the largest. The saffron-coloured backlash of Hindu orthodoxy claims to protect the motherland against a rebellious periphery, and against "ungrateful guests", as it describes the Muslims.

This orthodoxy, founded upon the highest segments of the Hindu social order, the caste system, wants to curb the growing restlessness of the lower castes. The conflict has inflamed the most ancient of Indian schisms. The primordial instincts and loyalties which it can arouse shook much of northern India for several weeks over a year ago, when many young people burned themselves to death in protest against a new government's decision to give the lower castes some protective discrimination.

The soldiers of this orthodoxy are a photogenic army of Hindu priests and mendicants with an assortment of others who have been pouring out of their social caves for the past year or two. The cameras of news men linger over them lovingly as they swarm across the electoral scene, or as they tried last year to pull down an ancient Muslim mosque, an event which precipitated the present elections. The strike of their pickaxes only repeated the question whether India would survive.

In reply, the Hindu orthodoxy yells an emphatic "yes" in a chorus, orchestrated by the Bharatiya Janata Party. Its leaders reject the secularism of Nehru's India vociferously and are making a strong bid for power in New Delhi. The modern-minded, liberal, democratic and secular Indian, suspecting a streak of fascism in the BJP, bites his nails in nervousness.

Whether fascist or not, the BJP has won over many in the upper business and commercial sections and the administration. It is no longer a party of fanatical youth with the financial backing of small traders. Many top military men have also joined it.

But the BJP's problem is that Hindu society is like an onion: the more you peel in search of the core the less you find it. This explains why many outside the BJP fear that its loyalties will first antagonise the non-Hindu and then absorb the Hindu into a vanishing nugget. These schisms and tensions, which are endemic, and the crises into which they repeatedly erupt, give the impression that India is being ground down by poverty and torn asunder by dissensions.

They give this impression until you flip the coin. Then you see a very different side of India.

The British left behind more than 500 Indias beside Pakistan: each of the 500 odd "princely states" became fully sovereign and independent. But within a couple of years, India knitted them together without firing a shot except in Kashmir, and later Hyderabad. This must rank among the largest acts of peaceful assimilation in history. It made India a larger juridical and administrative unit than it had ever been, under or before British rule.

Of all the territorial problems which accompanied the partition of India from Pakistan, only one now simmers, in Kashmir. All other secessionist threats have been resolved; that of Tamil Nadu was resolved entirely peacefully. (The "Sikh problem" is different because the Sikhs are not secessionist; only some militants are). Within the first three years, India also accomplished one of the largest rehabilitations of refugees and completed, and unanimously adopted, one of the most detailed and complex constitutions.

Under this constitution, India regularly conducts the world's largest elections. The last time it did so, in 1989, it had to handle an electorate of 500m, out of whom 297m voted. Except in this year, the elections have been free of any serious violence, have habitually returned centrist-liberal-democratic forces to power, have churned up a broad national consensus and have democratised, indigenised, ruralised and humanised communism more than in any other country.

Raghu Rai, Magnum Photo

Images of death: Pictures of Rajiv Gandhi and of his assassinated mother, Indira, on a campaign vehicle

Although undernourishment persists, famine has been banished, and production of food grains has risen fivefold. Poverty, which was absolute even by Indian standards, has been reduced by about a third. Indeed, India no longer has the cheap surplus labour it used to have. Punjabi farmers have to import labour from 1,000 miles away, from the poverty pit of Bihar.

Industrial growth touched double digits in the late eighties. Agricultural growth, though slower, maintained itself over a longer haul, became less dependent upon good weather, and showed a well co-ordinated increase in the productivity of several hundred million people.

Indian industry meets around 90 per cent of the country's needs and foreign aid accounts for much less than 10 per cent of investments. More than 100m Indians have the same consumption standards as many in the lesser among the developed countries and 30m to 40m compare with those in the richest.

To an extent usually associated only with revolutions, political power has been transferred horizontally from the city to the town to the village, and from the urban-industrial to rural-agricultural interests. It has been transferred vertically from the big industry to medium entrepreneurs, from the pre-partition landed gentry to the descendants of their tenants and cultivators, then to the medium and very small land holders, and now, by hesitant steps, to the latter's hired labour and the landless. Few countries have changed so radically and so quickly by democratic means and with less violence.

The effect may be seen in most villages outside the eastern Uttar Pradesh and Bihar regions. The main shop is not very different from lesser ones in the town, television antennae poke through broken roofs, a transistor radio is often the companion of the man behind the plough. Any sizeable village would have branches of more than one well known bank. Rural households' savings contribute to the stock of city-based corporations and are an important part of the overall household savings sector, which in turn is almost a quarter of total savings, a proportion exceeded only in China.

If these bits and pieces of change seem too remote, note the following, which fits more snugly into the values of our wicked times. Between the two assassinations, of the mother in 1984 and of the son this week, India came to feature in the western media as a "rising super power" as one of them put it, or at least as a regional power, partly because of rising military spending.

Why then all those forebodings about India's future, which I described earlier, on the other side of the coin? Partly they reflect the fact that the reality is bad, and partly that the image is even worse.

In economic policy, India made the cardinal blunder of rushing forward without preparing the ground. Heavy investments were financed by deficits at home and reckless borrowings abroad, but little was done first to improve the efficiency of the capital at work. So, although the growth rate has improved, India faces its worst ever financial crisis. The resulting erosion of confidence makes further borrowings extremely difficult. Even so, the base of the economy is now much wider and stronger; so a more sound thrust forward is attainable with the right policies.

Similarly, the polity is in disarray but not in decay. Most of its critical components have greater vigour than before, and have opportunities to rebuild themselves afresh.

The Congress (I) party, in particular, has the chance to rid itself of dependence upon the crutch of the Nehru family. How ready it is to use the opportunity may be in doubt, considering the pathetic attempt to persuade Sonia Gandhi to be its next president, as though anyone is good enough if the name is right.

But it has the chance to rejuvenate itself with a collegiate of authentic leaders. Even if does not, India now has more viable parties than ever before, each with its distinct base and policy thrust, vigorously competitive and each able to be an alternative government by itself or in coalition.

The era of the one-family party appears, happily, to be over. I am not too greatly disturbed by the powerful emergence of BJP. It might perhaps become fanatically Hindu. But more than half of its support comes from those who are disappointed with the other parties. The appeal of its dogmatic Hindu face will not prosper so long as India remains a democracy.

And I have little doubt that India will remain so. Every time India has honoured the democratic verdict, it has succeeded in solving its problems, be they the linguistic reorganisation of states in the mid-1950s or the later aspirations of Tamil Nadu or the bringing of the geographical or social fringe into the mainstream of politics.

Every time the verdict has been subverted, India has been in trouble, be it in Punjab or Assam or Kashmir. Now democracy is even more deeply integrated with the social and economic fabric, drawing strength from the lowest depths of the Indian pyramid. That is why the backward classes and castes, for the first time, have a party among the front runners for power. There is also more promise that the other great systemic tension in Indian politics, between the Union, that is the centre, and the federating states, will be resolved. The constitution provides for a healthy and flexible balance between them. But the Congress (I), subverted it. Being itself prone to a highly centralised and authoritarian style, it carried the infection into the structure of state power during its long years in office.

But this excess has brought about a widespread realisation that the imbalance must be corrected. This, and the need for decentralising power to the villages, have become a part of the emerging consensus. I can therefore see many healing tendencies which can correct the distortions of the economy and the polity. This is the aspect of the Indian reality, which registers much less, especially abroad, because it does not throw up menacing images.

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Lady Havers relies on Hanna Palmer's good taste. Lucia van der Post visits shops that offer style. Page IX

The Long View/**Barry Riley**

Imperial preference shared

GEORGE ROSS Goobey was 80 years old on Monday and I was privileged to be invited to his birthday party. Happily, the man who revolutionised pension fund investment back in the 1950s is enjoying the fruits of his labours in a long and active retirement.

Goobey, for those readers not yet steeped in investment folklore, was the boss of the Imperial Tobacco pension fund who swept aside the old idea that pension funds should be invested in gilt-edged and other "safe" fixed interest securities and decided instead that they should concentrate on ordinary shares.

He first put forward the shocking view as far back as 1947, when gilts yielded 2¼ per cent. In due course the cult of the equity was born. Pension funds had a chance of coping with inflation.

He happened to retire in 1974, just as inflation was heading for a record burst. But the prosperous Imps fund was up to the test: in his first year his pension was uprated by no less than 26 per cent.

Remarkably few, if any, other private sector schemes could boast of the same achievement. In fact the Imperial Tobacco scheme has kept up with inflation ever since, which means that every £100 of George Ross Goobey's pension back in 1974 has now been uprated to £495, and putting it the other way, a pension of £1,000 per annum in 1974 would, if left unchanged, now be worth only £202 in terms of 1974 purchasing power. Many less fortunate octogenarians, it has to be said, have indeed been subjected to this savage degree of impoverishment.

The long shadow of Lord Hanson has, however, fallen across Goobey's path as well as ICI's. Hanson's company now owns Imperial, and the tacit promise of unlimited inflation-proofing no longer exists, although there is an overt guarantee of protection up to 10 per cent, obtained after pensioners took Hanson to court last year.

The adoption of equities by the Imperial fund, and later by all pension schemes, marked a recognition of inflationary risks and over several decades has had an impact on the nature of the Ordinary share itself. Previously it was a risky investment on which the dividends could fluctuate widely. Now it has become a security offering a smoothed, growing income which is tailored precisely to the needs of pension fund investors. In that respect the British share is significantly different to the shares of companies in, say, Germany or Japan.

Until as recently as the 1960s it was common for company pension schemes to base their benefits upon average salaries earned during a career, and to invest the funds in fixed income securities. But even in the context of the then modest inflation rates the pensions that emerged were hopelessly inadequate.

Comprehensive inflation-proofing was seen as much too ambitious, except for the richer and more paternalistic employers such as Imperial Tobacco, but the concept of a final salary link was adopted as a compromise. The search was then on for an investment strategy that could reasonably be expected to produce assets to match the liabilities that were being lavishly accumulated.

Why equities? They give a decent initial yield, which has averaged about 5 per cent over many years, though subject to short-term variations. The assumption is that the dividends will rise in line with national income in money terms – that is, matching inflation plus economic growth. Share prices will climb in the long run in parallel with dividend growth, so the total return (income plus capital gains) will provide a margin over salary inflation to a tax-free fund. Indeed, the excess in practice has been about 3 per cent annually over 30 years.

The problem is that in the short run share prices can boom and crash. However, this can be accommodated by actuaries who value schemes on the basis of income, not capital values. The 1987 crash passed British pension schemes by, because dividends continued to climb.

The UK accounting standard SSAP 24 reflects this approach, whereas the corresponding US standard FAS 87 focuses on capital values so that US pension plans cannot properly handle the volatility of equities, and they continue to hold a lot of fixed income bonds (about 35 per cent of total portfolios) to reduce the risks, but at the expense of the overall return.

Yet actuarial tricks cannot eliminate risk in the real world. In the late 1960s and most of the 1970s the dividends of British companies were held well below inflation by freezes and squeezes. As a result pension schemes plunged into massive deficits.

In the 1980s the pendulum swung the other way: dividends boomed and huge surpluses developed. What might a deep recession and a Labour government do to dividends in the 1990s?

The commitment to equities is now almost total. The average UK pension fund, according to the latest statistics from the World Markets Company, has just 4 per cent in fixed coupon gilts (plus another 4 per cent in foreign currency bonds).

UK and overseas equities account for 76 per cent of portfolios and property and index-linked gilts for another 10 per cent. Over the 44 years since the young Goobey first shocked the Imperial Tobacco trustees with his revolutionary ideas conventional wisdom has been stood on its head.

You could just about devise a scenario under which the pensions industry would be stranded: a long industrial squeeze while the British economy struggled to adjust to low inflation and high real interest rates. After all, the 1930s produced the fear of equities and the respect for bonds which steered postwar trustees initially in quite the wrong direction. Dividends, for the first time in many years, are currently rising more slowly than employee earnings. But revolutionary voices have yet to be heard.

Meanwhile, George Ross Goobey had a lunch appointment with none other than Lord Hanson on Wednesday. They may well have had words on the protection of pensioners. But then, Lord Hanson is of pensionable age too.

London Markets

Searching for a beautiful pattern

THE OLD stock market saying "Sell in May" has been wrong for the last few years, according to Robin Aspinall of Schroders. But, he wrote on *Thursday, "every proverb has* its day. And today is the day."

For some, perhaps, but not for most: the market moved up on Thursday, buoyed by signals that the long-awaited base rate cut would come the next day, as it did. Yet the test of Aspinall's advice – which is based in part on "technical analysis", an examination of the pattern of recent trading – will come over the next few months.

Certainly, he is not alone among technical analysts in expecting a near-term correc*tion. Robin Griffiths, perhaps* the doyen of the breed, is expecting a 10 per cent decline in the FT-SE starting probably some time in June or July.

Griffiths says that such corrections are perfectly normal in any bull market. The FT-SE has broken through its April low of 2,465.0, he says, but has yet to break through its March *low of 2,431.9. If the FT-SE did* break below 2,440 or so, he says, that would be widely seen as indicating a correction to around the 2,200 level, which would form a solid base for an advance to new highs.

Aspinall, who uses Elliot wave theory, one of the more esoteric forms of technical analysis, lists a gaudy array of indicators pointing downwards. One of them ("a beautiful five-wave pattern") marked *a clear end to a trend on* Thursday, and the beginning of another. He is expecting the FT-SE to drop to somewhere between 2,100 and 2,200 – with the possibility of a drop to around 1,900 if Wall Street also breaks badly and leads London down.

The week gave investors a *sign that a trend might be* starting to break down elsewhere. The Prudential, Britain's biggest institutional investor, declined to take part in a £39m rights issue for Trade Indemnity, the trade credit insurer, of which it owned 8 per cent. Trade Indemnity's share price, which closed last week at 78p, dropped 15p to close on Friday at 63p.

The Pru wouldn't give its reasons, but they presumably reflect more a judgment on the company than a weariness with the flow of rights issues. And Trade Indemnity's seven other institutional shareholders promised to stump up their share. None the less, with *£4.6bn already raised from* shareholders this year and some hefty demands on cash to come, at some point a larger rights issue will meet a more general resistance. Then, for finance directors seeking to strengthen balance sheets, this particular party will be over.

For the moment, it is still a lively affair. W.H. Smith's £148m rights issue, accompanied by a refocusing of its business on retailing, was greeted on Wednesday by a 14p rise in the share price, and the stock closed on Friday at 393p, up 21p on the week.

Investors know they will be asked to take a big chunk of *British Telecom shares in* November, but this did not seem to dampen enthusiasm for the company's first £3bn annual profits figure, a 14 per cent rise on the previous year. Shares rose 10½p on the day, after rising every day earlier in the week. BT shares closed the week at 378p, up 16 since the previous Friday.

Iain Vallance, BT's chairman, said there would be another 10,000 job losses to come this year on top of 18,800 last year. But he also said that growth in call volume had halved in a year, and that there was no sign yet of the trough of the recession.

Similar job cuts came from National Power, which announced plans to halve its white-collar staff. And similar economic warnings came from the Confederation of British Industry and from a number of other company chairmen. British Airways, for example, said it is making a loss in the current quarter and that scheduled traffic, though improving, is still 8 per cent below that of a year ago. The company held its dividend, however, and the shares fell only 6p on the week, to close at 161p.

The CBI's monthly survey of economic trends for May, released late on Friday, reported that the proportion of companies expecting to be able to raise prices was the lowest for 24 years, because of "a highly competitive and declin*ing market*".

Against this background, the drop in base rates on Friday was not surprising – certainly not to the markets, which had expected it a week ago. Once the cut finally came, the equity market *fell*, reflecting the extent to which it had been discounted in advance. FT-SE closed at 2,471.1, up 17.2 on the week. The pound weakened slightly; and the money markets indicated no speedy further cut in interest rates.

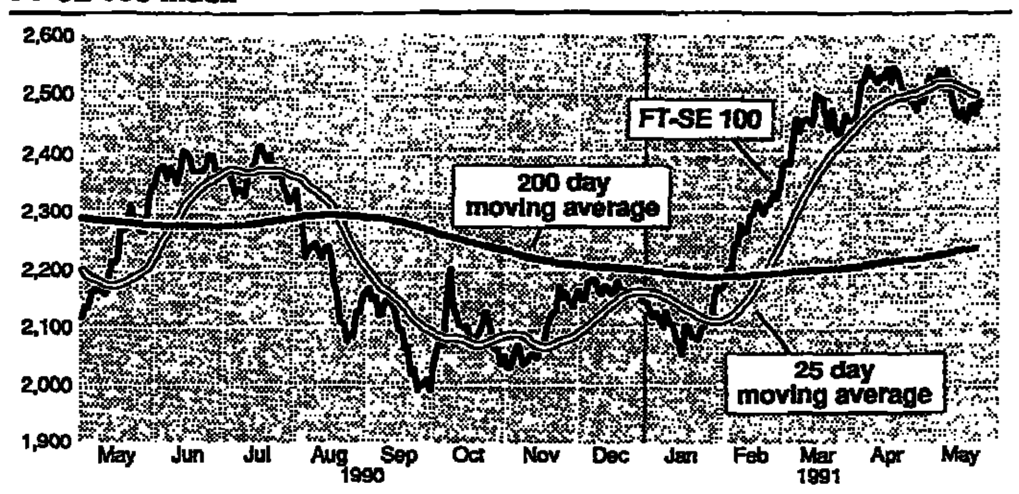
All in all, it was a difficult week for those involved in the conduct of economic policy – particularly for Robin Leigh-*Pemberton, the Governor of* the Bank of England, who suffered the indignity of being peppered with questions about his 17 per cent pay-rise last year on the way to address the building societies' conference. (His uncharacteristically testy response was: "I practise what I preach.")

It was also a difficult week for Sir Denys Henderson, chairman of ICI, who left a two hour meeting with Lord Hanson apparently no wiser about Hanson's intentions towards his company. The stock market retained its enthusiasm for a possible bid: ICI shares closed the week at 1240p, down 7p from the previous Friday, but 45¾p above the price Hanson paid for its 2.82 per cent stake. There were persistent rumours that an ICI defence might involve *linking its pharmaceu*ticals subsidiary with Wellcome, a rival UK drugs company.

On Friday, however, Lord Hanson was indicating that he had co-operation in mind, *rather than an immediate bid.* Seen from ICI's headquarters at Millbank, such manoeuvres probably look like one of the beautiful five-wave patterns the chartists talk about: intricate, engrossing – and ulti*mately dangerous.*

Peter Martin

FT-SE 100 Index



Source: Datastream

HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1991 High	1991 Low	
FT-SE 100 Index	2471.1	+17.2	2545.3	2054.8	Base rate optimism
Admiral	315	+30	315	220	Takeover hopes
British Telecom	378	+16	385	268	Prelim. profits up 14%
Compass Grp.	418	-21	468	361	Analysts' forecast cuts
Cook (William)	290	+16	298	203	Good results/investment presentation
Gerrard & Nat.	349	+19	355	303	Prelim. profits up 42%
Laporte	533	-37	603	435	Analysts cut profit estimates
Macarthy	230	+68	231	123	Hopes of counter to Grampian bid
Medeva	150xd	+23	151	73	Brokers' buy recommendations
Scapa Grp.	142xr	-16	159	112	Rights issue/negative views
Seeboard	212	+13	216	134	Scottish flotation boosts sector
Smith (W.H.) A	393	+21	397	318	Asset disposals
Sovereign Oil	110	-16	180	108	Reserves estimates cut
TSB Channel Isl.	134	-25	159	112	Bank uncovers "irregularities"
Trade Indemnity	63	-15	108	63	Rights issue/increased provisions ICI

Serious Money

Step carefully through the mortgage maze

By Philip Coggan, Personal Finance Editor

HOW WOULD you like your mortgage, Sir? Capped, fixed, or floating?

House purchasers are not short of choice these days. Lenders are eager for their custom and can offer a bewildering variety of options.

Gone are the days when the average borrower had a repayment mortgage, on which the interest rate could theoretically change every month. *Increased choice* is normally perceived to be good news for the consumer. But this is not always the case.

Take those Halifax customers on the annual payment system, locked in until this week *at a rate of 14.5 per cent*. When the regime was introduced, back in 1984, it offered the customer some certainty. He or she knew her payments for the year and could budget accordingly. There was also the bonus that the effect of an increase in interest rates would often be delayed.

Borrowers have at times done very well *out of this sys*tem – in 1988 the rate was set at 10.3 per cent and Halifax customers relaxed while mortgage rates climbed elsewhere.

In the long run, the policy balances out. If a borrower had taken out a £40,000 mortgage in 1984 under the annual plan, his debt would now be £40,873, but he would have saved £873 in interest compared with a conventional Halifax mortgage.

But the laws of economics *decree* that customers will be hit harder at times of high interest rates, and will complain if trapped at a rate above the market level.

The *difficulties* are not confined to annual payment borrowers. Take the plight of those who opted for a fixed rate deal last year, when base rates were still 15 per cent. In *September, for example*, the Halifax was offering a two year fix at 13.85 per cent, the Alliance & Leicester at 13.75 per cent and the Town & County at 13.6 per cent. All those rates, after yesterday's round of cuts, are more than 1 per cent higher than the going level.

Last September the Nationwide *Anglia* was offering a five year fix at 12.9 per cent. That level may have looked good at the time but it has been undercut within eight months by the market variable rate.

And it is no use trying to switch out of the Nationwide deal – you would be faced with a redemption penalty of *six months* interest payments.

Now, it is more than possible that base rates will rise again over the next few years and the Nationwide fixed *rate* borrowers will be back in credit. But their dilemma illustrates the gambles homeowners *now* have to make.

Never mind the risks of selecting a house with damp rot and subsidence, wedged between a heroin dealers' hideout and the offices of the Def Leppard appreciation society.

Homeowners are spoiled for choice, but special offers should be examined carefully

When they select a mortgage, homeowners (or potential homeowners) must decide whether the selected institution is a serious long term player in the housing market. If it is not, then an attractive-seeming rate now may be not quite so alluring in a few years.

The second step to follow is to sort through the special offers that may be available. Many societies, for example, give a 1 per cent discount to first time buyers for the first year, which may ease the initial struggle of coping with a mortgage. Others reduce the rates for borrowers with larger debts.

These special offers should be examined carefully. They can involve the payment of an arrangement fee, or involve penalties for early redemption. These costs should be taken *into account before you opt for* an apparently attractive rate.

Often special offers depend on you taking out an endowment or pension policy. Remember that there are only two basic types of mortgage: repayment or interest only. The endowment, pension and PEP plans you are offered are *simply* means of repaying the interest-only loan.

Be sure that you actually want such a policy and will keep up the payments; a financial adviser, who relies on them for commission, may push them hard.

If the hapless homeowner can work all those questions out, he or she is then expected to take a view on interest rates. Projecting the level of interest rates more than one year ahead is beyond most economists and has frequently eluded the best minds of the Treasury.

The homeowner cannot put his head in the sand and ignore the issue. To stick with a variable rate is to make a decision, since it ignores the option of fixing the rate at the current level.

One guide, at least, is that mortgage rates have averaged around 12.5 per cent over the last decade, so fixing the rate any higher is probably a mistake. But perhaps past experience, given the UK's entry into the Exchange Rate Mechanism, will be no guide to the 1990s.

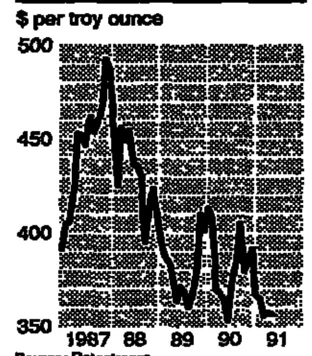
An option that the vast *majority of homeowners would* be best advised to shun is the foreign currency mortgage. Managers can speak till they are blue in the face about the cleverness of their foreign exchange forecasting techniques. Whatever they say, it makes no sense to own an asset (the house) with a value denominated in one currency and have a liability (the mortgage) denominated in another.

The best option is nearly always the simplest. Either opt for a fixed rate and trust your judgment (although try to pick a mortgage with low redemption penalties), or choose a repayment mortgage with an established society so you *know* that, although rates may rise and fall, they will stay in line with the market.

AT A GLANCE

Gold price

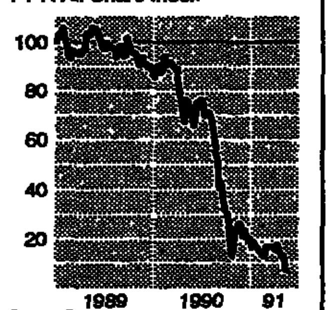
$ per troy ounce



Source: Datastream

Brent Walker

Share price relative to the FT-A All-Share Index



Source: Datastream

Bearish case for bullion

The annual survey of the gold market by Gold Fields Mineral Services this week predicted that the gold price is unlikely to surge in 1991. The fear is that any rise in price will prompt a *wave of selling by producers. Gold has disappointed its fans in* recent years, failing to display its much-vaunted status as a "safe haven" investment. The Gulf War did not have the expected upward impact on the bullion price.

Troubled times for Brent Walker

Leisure group Brent Walker reported a £256m loss for 1990 this week and a £690m fall in its net assets to £139m, after a series of property write-downs. The company, led by former boxer George Walker, then presented a restructuring plan to its *creditor banks. Negotiations on those plans are still continuing* but despite adverse press and analysts' comment, the company's shares closed 1p up on the week at 30p.

Unit trust group's assets frozen

Unit holders in Wright Seligman's three unit trusts will have an unhappy weekend. The assets of Wright Seligman were frozen *after action by the Investment Management Regulatory* Organisation (IMRO) and the Securities and Investments Board (SIB) on Thursday. Dealings in the units were suspended, following the discovery of "apparent irregularities in respect of provision of margin for option dealings which may have put client assets at risk". There are funds of around £6.5m in the unit trusts and Wright Seligman also managed £7.5m for private clients, for whom Cork Gully have been appointed as trustees. Unitholders should contact Dick Morley of Lloyds Bank on 0245-283171 ext 2233 and private clients can call Cork Gully on 071-606-7700. **In units we trust: page 7, Section One.**

Smaller companies fall

Smaller company shares fell last week as the early spring investor euphoria dissipated in the face of the recession. The Hoare Govett Index (capital gains version) dropped 0.8 per cent to 1196.7 in the week to Thursday and the County index fell 0.7 per cent to 991.7 over the same period.

New endowment product launched

Scottish Amicable launched a new endowment mortgage product yesterday. "Home Purchaser" aims to provide clients with protection and security at low cost and with the chance of early repayment, according to the society.

Free life cover for up to six months is available to cover the period before moving into the property and additional life cover of up to 50 per cent of the amount of the loan can be provided under the plan. It has been written as a series of "cluster" policies, which can be *surrendered independently, allowing* early repayment. There are also provisions for low starting costs, with premiums increasing over the first five years.

In search of residential profits

Neill Clerk, a firm of solicitors known for sponsoring tax shelter investments under the Business Expansion Scheme, has launched a residential property company which will aim to profit from the recession. The new company, Home Partners Plus, will purchase property from Abbey National Homes and *Tay Homes, with a geographical spread including 42.5 per cent* in the south east. Home Partners Plus will last for three years, and does not qualify for BES tax relief, but loans of up to 100 per cent are available from the Royal Bank of Scotland, at 1.475 per cent below the London Interbank Offered Rate.

Wall Street

Time to head for the beach?

HAS THE time come for the American equity investor to take some profits, pack his or her bags, and head for the beach for the summer?

The *temptation* to "*sell in* May and go away" might seem strong since the equity market, having risen by some 20 per cent in the first three months of this year, has spent the last two going precisely *nowhere, with the Dow Jones* Industrial Average trading in a narrow band between 2850 and 3000.

This weekend brings the Memorial Day holiday, which marks the unofficial start of the American summer. Would the investor who took off now notice any difference when he returned, relaxed and with sand between the *toes, at* the unofficial end of summer, which is Labor Day, September 2?

Trading over the past few days would suggest not, for the market has had a suitably *listless summer air to it:* up a few points, down a few, in low to moderate trading. There has been precious little economic data or corporate news to encourage a trend in any direction.

The problem is that the equity market got thoroughly ahead of itself at the start of the year, anticipating a recovery from recession which has yet to materialise.

This week did bring a few macro economic crumbs of comfort. Figures were released showing that durable goods orders increased by 2.9 per cent in April after declining *for the previous three months*, and this was taken by some economists as a sign that the much-heralded bottoming out of the recession will take place on cue this summer. However, durable goods figures are extremely volatile, subject to substantial revisions, and need to be taken with a large measure of salt.

A survey by the *National* Association of Business Economists reported that 60 per cent of their number predicted the recession would touch bottom this quarter. But given the profession's mistaken optimism of the past six months, it is tempting to regard this as a sure sign that problems will persist well into the third quarter, if not beyond.

Certainly, there is precious little sign of a sustained upturn in consumer demand. US car manufacturers produced another dismal set of figures this week, showing that in mid-May the seasonally adjusted annual selling rate was a little better than the April trough, but still well down on a year ago.

But even if the summer does see a bottoming out, it remains a moot question where the economy will go from there. The consensus suggests a V-shaped recovery, which has been the pattern in many past cycles, with the decline in growth of the past 10 months being matched by a gradual, but sure, rise on the other side of the valley.

Some fear recovery could prove so fragile that the economy turns down again later in the year, producing a nasty W shape. This *second phase*, runs the argument, would stem in large measure from a downturn in business capital investment, which began in the first quarter and may have quite a way to run. Stir in some sharp cuts in state government spending, as well as weakening exports, and you can work yourself into quite a state of gloom.

Doubts about the strength of capital spending may well have been reflected over the past few days in the weakness of International Business Machines' stock. IBM upset *Wall Street by last* month reporting a 50 per cent drop in first quarter earnings. This week several analysts said they were cutting earnings predictions for the group again.

The *new forecasts caused a* general flutter of stock market anxiety on Tuesday, yet in recent weeks equities have pretty well managed to distance themselves from the problems of Big Blue and the computer sector generally. In late March, just before it issued a profits warning, IBM's shares stood at around $128, while this week they *dipped as low as $100½, a drop* of about 20 per cent. Over the same period, the Dow has hardly budged.

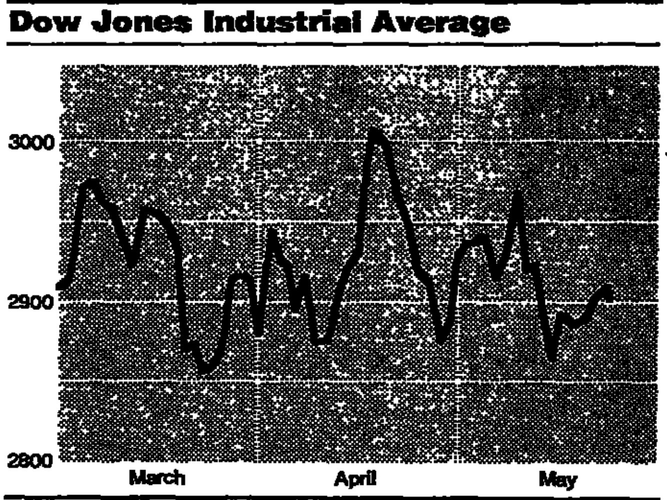
Whether the *wider* market remains so sanguine will depend on the array *of economic statistics of the* next month or so – and how aggressively interest rates are cut to combat continued weakness. Some Wall Street bulls are convinced that the market is set for a strong summer rally which *could take* the Dow all the way to 3200.

Unless the economic news is consistently good, that looks a bold assumption. With shares still trading on a historic price/earnings ratio of 17 plus, the market is far from cheap and it will take a lot to push it significantly above 3000. The downside risks may be *rather* greater than the upside opportunities. And besides, the beach looks very tempting.

Monday	2892.22	+ 5.58
Tuesday	2906.06	+ 13.84
Wednesday	2910.33	+ 4.25
Thursday	2900.04	− 10.29

Martin Dickson

Dow Jones Industrial Average



Knowing where to point the Compass

AS THE UK recession wears down the defences of more companies, one of those still regarded as "recession-resistant" is Compass Group, the contract caterer and private hospital operator.

Compass increased pre-tax profit by 13 per cent to £15.5m in the six months to March 31 on sales of £160.8m. The period represented its settling down as a two-business group after failing to take over Sketchley *and selling its building ser*vices and security activities.

What has emerged is a symbiotic pair of businesses. On one side is the highly cash generative, but more mature, contract catering and, on the other, *the investment-thirsty*, fast-growing private hospitals. Three smaller private healthcare companies, Community Hospitals, Bioplan and Takare, have all recently tapped the market for cash.

Both parts of the group are recession-resistant, although that is not the same as recession-proof. Catering, which accounted for about 85 per cent of last year's turnover, feeds the workforces of between 2,000 and 2,500 companies under more than 3,000 contracts. Although 110 were terminated in the first half of this year – many through business closures – 150 new ones were signed.

Gerry Robinson, chief executive, pointed out that unemployment meant *fewer* employees using the canteens and curtailed spending power. But the impact represented a dampener on growth rather than a cut in demand.

In healthcare, where nine *hospitals have* been added in little more than two years to bring the total to 15, there is also some vulnerability among the 25 per cent of patients who pay for themselves, although a new hip is not as likely to be deferred as, say, a carpet or a compact disc player.

More importantly, the trend *for more people to be covered* by insurance has yet to falter. Bupa, one of the UK's biggest private hospital operators as well as an insurer, said: "Only directors and senior managers used to be covered, now it's going right through the workforce."

Having strong cash-generating resources has been particularly important to Compass *because, as a management* buy-out, group debt has been high. Robinson led the £163m exit from Grand Metropolitan in mid-1987, setting a UK buy-out record. That was soon broken, however, by the £718m deal at MFI, the furniture company which is now struggling under the burden.

Mackay said the £130m debt taken on in the Compass buy-out was cut to £50m by the group's flotation in December 1988. It was less than £40m by September *last year*, when the balance sheet showed net worth for the first time. Interest cover has, however, been relatively comfortable.

This year is seen as a period of consolidation *for the group, before the benefits of a four*-year catering contract with British Telecom start to come through and while it improves the performance of recently acquired hospitals.

The BT contract, which covers 3,000 catering staff, will add between £50m and £60m a year to turnover. Compass's spending power on food will go up to £150m, enabling better deals to be struck with suppliers.

A big test of management ability is under way in the four hospitals Compass bought this year for an initial £16m and an ultimate figure nearer £30m. One in Carmarthen came from the receiver and the other three, bought from a US group, made only £14,000 profit on £15.5m turnover last year.

Biggest of these, with 103 beds, is the loss-making London Independent in Stepney Green, taking Compass into the "over-bedded" capital for the first time. It is run by John Taylor, who says that "very *routine management* tasks were being done badly".

Beyond tidying those up, his aim is to focus attention on value for money and "create a climate where people accept that we are always asking questions, mostly can we do it better?"

When patients are interviewed about their stays, they are not asked what they think of the nurses but about what actually happened, whether they were in pain or whether the tea was cold.

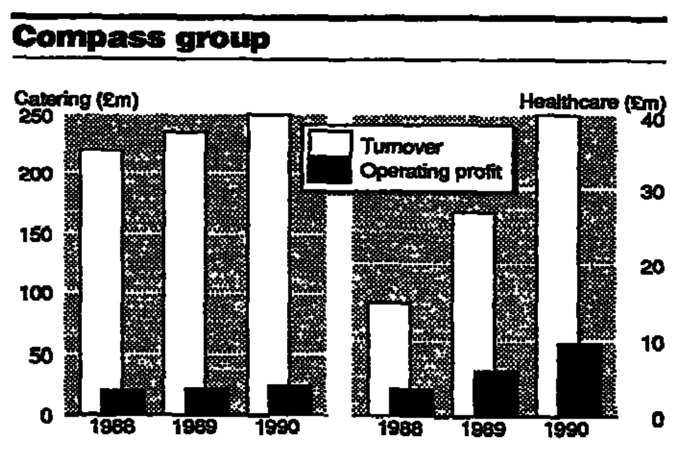
With labour accounting for more than half of costs, recruitment and overtime have been clamped. Clinical managers are becoming financial and personnel managers and highly skilled nurses are "paid to make sure *things are done, but* not necessarily do it themselves."

Both Compass's businesses have scope for growth. Contract catering, in which its main rivals are *Gardner Merchant and Sutcliffe, still has* more than half the commercial market to go for and potential also lies in the state health and education sectors.

In healthcare, where Nuffield and AMI are also established players, increased affluence, a wider insurance net and the possibility of NHS contracts suggest that the private sector's 10 per cent share of a growing market can be increased.

Jane Fuller

Compass group



FINANCE AND THE FAMILY

Patience is the key to profit

Endowments are best treated as long-term savings vehicles, report ***Philip Coggan*** *and* ***John Authers***

EVERYBODY these days seems to have an endowment policy. It is estimated that 75 to 80 per cent of all mortgage loans come with endowments attached; and they can be used for a host of other purposes, such as school fees planning and inheritance tax.

Whether most people who buy endowment policies know what they are getting is another matter. They are in essence a savings policy with a limited amount of life insurance cover thrown in. If the policyholder dies, a guaranteed sum will be paid out. Otherwise, the value of the endowment policy will depend on how successful the life company is at investing the premiums paid by the policyholder.

Under a *with profits* endowment, the life company pays a bonus every year, called the reversionary bonus, which once paid cannot be reversed. At the end of the policy, a further bonus, called the *terminal bonus*, will be paid, which can vary substantially in price.

Mortgage borrowers should find that the combination of reversionary and terminal bonuses is more than enough to cover the repayment of the loan, although this is not guaranteed. There is usually the prospect of a substantial excess over the loan size, which will be tax-free.

Under a *unit-linked* endowment policy, the premiums are used to buy units in an underlying fund which, it is hoped, will grow to pay off the mortgage loan – and more.

That is the good news. The bad news is that this neat situation rarely occurs. Many policyholders fail to keep up the payments for the full 10, 15 or 25 years of the policy; one industry estimate is that fewer than one in eight do so.

Surrendering an endowment policy is disheartening. In the early years you may find that the bulk of your premiums have gone to pay the commission income of the person who sold it to you. Even if you have kept up a 25 year policy for, say, 12 years, surrender can prove disappointing because of the lack of a terminal bonus.

The tendency for most investors to lose patience with such an investment means that it is often not an appropriate policy. So why are so many sold with mortgages? Because the lenders and advisers who earn the selling are interested in the commission they bring.

An endowment policy can, as we shall show this and next week, offer value. But if you are the sort of person whose New Year's resolutions last only till January 4, endowment policies are not for you.

SCHOOL FEES

MORTGAGES are not the only vehicles salesmen have discovered for selling endowment policies. School fees – for many people the biggest outlay they ever make, apart from their house – can be paid using an endowment.

Life offices offer a range of suitably labyrinthine policies to allow you to pay school fees out of income. The fact that you ideally need to start paying the premiums ten years before your child starts at school is a problem for many, but some parents start school fees plans while the future pupil is not even a twinkle in their eyes.

A guaranteed endowment policy (which does not pay out any extra profits) can ease the pain. If school fees will stretch you, it is best to find out what you will be asked to pay and take a policy which can guarantee to pay this much.

However, these policies tend to have relatively high premiums and relatively low chances of significant growth. If you have more flexibility, tax-efficient products such as Peps and Tessas might aid long-term saving for fees.

The life assurance route is preferable to waiting until the last minute and then taking out a loan. If you do this, one of the most popular schemes on the market, offered by the National Westminster Bank and banked by the Independent Schools Information Service, provides you with an endowment policy to repay your loan. Again, several advisers suggest re-mortgaging might make more sense.

Weddings, particularly in the Asian community, are another big expense often funded with an endowment policy. Again, they only conclusively beat alternative savings mediums if you have a fixed sum you want to raise by a certain date and you are averse to any risk of falling short of this.

Endowments can also be sold as part of in a tax planning package. "Qualifying" policies, with a premium paid at regular intervals, offer shelter from top-rate tax, although basic rate tax is still payable. If you take a bullish view of the life company's investment performance, they might make sense.

High income individuals can use endowments for planning inheritance tax, says Barry Stillerman of Stoy Hayward. If you take out a policy in the name of one of your heirs and pay the premiums out of income, it does not count towards your IHT liability. Provided you can persuade tax inspectors that the premiums were paid out of income, not capital, you will not need to use any of your exempt gift allowances. However, this route is not open to many.

RESELLING

SURRENDERING endowment policies before they mature seldom makes sense from a purely financial point of view – you can get better returns by waiting.

However, if circumstances dictate that you need access to the capital built up in your long term investment as quickly as possible, or if you are happy with your level of life insurance and never intended to use the endowment as a savings medium, surrender might still seem to be the best course of action.

In this case it is worth trying to extract the market value for your policy, rather than the surrender value you would receive if you sold it back to the life office. There is a market in unmatured policies, and you can often receive substantially more from them than you would from the insurers (see the table below).

Companies in this field, such as Beale Dobie, sell the policies to other investors interested in receiving the final bonus. These include a substantial number of institutional investors, and also people approaching retirement who want to boost their savings. All the company's profits come from the spread between the buying and the selling prices – you do not pay any charges.

The service applies only to with-profits (rather than unit-linked) policies, which must be purchased from a British life office. Beale Dobie will buy policies which have run at least a quarter of their term and which mature within 15 years.

There are exceptions to the service – for example, policies written by Equitable Life and Sun Alliance cannot be traded, and you might have problems trading United Kingdom Provident policies.

Otherwise the rates in the table show that the exercise is worth considering, and also illustrate how bad surrender values often are. If you give up a policy in the first quarter of its term, you could well make an outright loss. Remember that even the purchase prices allow the marketmakers to make a profit.

EXAMPLES OF POLICY PURCHASES

Life Office	Term (yrs)	Maturity	Surrender(£)	Purchase(£)
Scot Amic	18	6.1.96	15,500	19,162
Scot Mut	17	28.12.95	20,950	22,890
Legal & Gen	25	27.11.98	6,358	7,100
Prudential	15	1.12.97	1,683	1,961
Friends Prov	20	2.11.96	7,120	9,361
Stand Life	14	12.8.99	3,347	3,749
Stand Life	25	5.3.99	17,580	18,350

Source: Beale Dobie

Mortgages cut again

MORTGAGE RATES were cut by several leading borrowers yesterday as they passed on the half percentage point base rate cut in full.

The Halifax made life easier for the smaller building societies by making an early announcement that it would reduce its core mortgage rate by 0.5 per cent to 12.45 per cent. Jim Birrell, the chief executive, proudly described this as the "lowest level for 2½ years". Leeds Permanent quickly followed, cutting its rate by the same amount to 12.45 per cent. Both cuts come into effect for existing borrowers on July 1.

Abbey National, the second biggest lender, also announced a cut in rates of 0.5 per cent to 12.35 per cent. John Bayliss, managing director, said this was the lowest for *three* years.

Smaller societies to cut rates included Bristol & West, which substantially under-cut the market by making a 0.95 per cent cut to 11.95 per cent. The cut comes into effect for new borrowers from the beginning of next month, and for existing borrowers from August 1. Bristol & West said it had worked on the assumption that another half percentage point base rate cut will come soon.

Northern Rock cut to 12.45 per cent for new borrowers with a reduction for existing borrowers to follow in July.

The range of discounts offered by many lenders complicates the picture but provides some very attractive rates for first-time buyers, seen as vital in the attempt to revive the housing market.

Abbey National increased its first-time buyers' discount to 1.5 per cent from 1.25 per cent. There are also discounts for larger loans which allow the Abbey to offer a rate of under 10 per cent - 9.95 per cent – for first-time buyers borrowing £100,000 or more.

At the Halifax, a first-time buyer wanting a mortgage of more than £60,000 can borrow at 10.45 per cent – a 2 per cent discount is in operation for the first year of the loan. There is a 1.5 per cent discount for first-time buyers borrowing less than £60,000.

One year discounts give Lloyds a rate for first-time buyers of 10.70 per cent, while the Leeds offers 11.45 per cent and Midland offers 11.55 per cent.

Other building societies which quickly confirmed that a cut would be made but delayed decisions on how much it will be include Alliance & Leicester, Britannia, Bradford & Bingley, Cheltenham & Gloucester, Woolwich, and Yorkshire. Existing borrowers would probably receive their cut in rates on July 1.

Meanwhile, Nationwide Anglia, the second biggest building society, which made a 0.7 per cent cut to 12.25 per cent in its mortgage rate two weeks ago, announced that it would not make a further cut in response to the latest fall in base rates. John Hutchinson, the society's director, said: "Clearly other major lenders have had some time to consider following the lead we announced on May 8 when we introduced a 0.7 per cent mortgage rate cut."

The Nationwide's cut does not come into force for existing borrowers until July 1.

Centralised lenders were non-committal about core rate cuts. The Mortgage Corporation has deferred a decision until next week and the option of not making a cut has been left open.

Most banks picked up the trend, with Lloyds the first to make an announcement. Like the Halifax, typical existing borrowers will from the beginning of July pay 12.45 per cent, no longer 12.95 per cent.

Midland cut by 0.55 percentage points, from the higher level of 13.1 per cent down to 12.55 per cent. The rate for pension and endowment mortgages of more than £50,000 drops from 12.5 per cent to 11.95 per cent. Barclays also confirmed its mortgage rate would be cut after the base rate move.

However, National Westminster left its mortgages unaltered. The bank will make a decision next week, having reviewed the state of the market over the weekend. NatWest did decide to reduce its rates for savers, with immediate effect. Its current account now pays only 2.375 per cent gross.

The Royal Bank of Scotland and TSB also deferred decisions on mortgage rates.

John Authers

MINDING YOUR OWN BUSINESS

Second string

FOR SOME, retirement is the time to take up a new interest. For Gerald Kerr, it was the time to return to an old one, largely put aside during a 37-year career with the Royal Air Force.

As a boy, Kerr enjoyed working with wood and wanted to be a cabinetmaker. He joined the RAF in the war to become a fighter pilot and afterwards stayed with the RAF. His woodworking remained a spare time interest, but when he retired in 1979, he decided to turn the hobby into a second profession.

"I was faced with the choice most people have when they leave the service – whether to buy a house in the country, grow roses and wait to die, or to do something," he said.

His talent for woodworking and his love of music led to the decision to make and repair guitars at his home-cum-workshop in Salisbury. His brother was running a successful guitar making business in Dublin, so he had the advantage of free professional advice. He started the business with his service pension and savings, avoiding the need to borrow.

Gerald's classical guitars are made by hand which means that he only makes four or five a year. Each is made to order to fit the size and reach of a player's hand.

"I have them play for me first, and if they don't play well enough, I won't make a guitar – they can buy one from a shop," he said. For those who qualify, such as classical guitarist John Mills, there is a waiting list of about 10 months.

Each guitar contains a variety of woods all seasoned for at least five years. The materials cost about £200, and the guitars sell for £1,800.

Gerald also repairs and restores all kinds of stringed instruments. "Most guitar makers won't do repair work, but that's foolish, because you can learn a lot from repairing an instrument," he said.

Gerald rarely advertises, relying on word of mouth to build business. Customers from all over England simply turn up on his doorstep.

Gerald Kerr, 79 Wilton Rd, Salisbury, Wilts. 0722-326151.

Cynthia Hurst

Golf in bandit country

Kieran Cooke meets a man who surprised the doubters and called the shots along the Irish border

Elizabeth and James Quinn on the course they built

WHEN JAMES and Elizabeth Quinn first came up with the idea of building a golf course in South Armagh people thought they had gone ever so slightly bonkers. The scheme seemed to make about as much sense as investing in a billiard hall in Basra or organising a clay pigeon shoot on the Golan Heights.

South Armagh, on the border between Northern Ireland and the Irish Republic, is nicknamed bandit country. The area has long been a stronghold of the IRA. Army patrols, dropped in by helicopter, criss-cross the region. Terrorist incidents are frequent.

Not the ideal setting, one might think, to concentrate on a little chipping and putting. But the Quinns are a stubborn duo and four years after the idea was first mooted, the Ashfield Golf course, a few miles from Crossmaglen in South Armagh, is very much open for business.

Ashfield now has 300 members, each of whom pays a yearly £200 membership fee. Seamus Mallon, the local MP, is a club member. "We've beaten the begrudgers and all those who said we couldn't do it" says James. "Sometimes I feel 10 feet tall when I look at what's been achieved."

Quinn comes from a farming family in South Armagh. Now 46, James spent much of his 20s working in the lead mines of Canada, mainly in Alaska and the Yukon. "There was one time when I didn't see daylight for seven months. But the money was good."

Most of the dollars were sent home to enlarge the family farm. James returned in 1970, married and settled into beef farming. After more than 10 years working the land, the Quinns realised there was not much return from beef.

"The trouble is there is no industry, just no alternative to farming in South Armagh. Then one day at breakfast Elizabeth said 'How about a golf course?'" A golf course designer was called in. The Quinn land, gently undulating with naturally landscaped fairways, had the makings of a golfing gem.

"There was no other golf course in the area. Even if you drove several miles the membership at other clubs was full." James approached various official bodies for funding, including the Northern Ireland Tourist Board and the International Fund for Ireland.

"The man from the Tourist board didn't even want to look at the golf course site, he just turned me down flat". He was particularly upset at the lack of interest shown by the International Fund, a body which raises substantial amounts of funds, mostly in the US, for projects on both sides of the Irish border. "The fund seemed to discriminate against us because we were in this area. Yet there are no facilities here – this is where the money is needed."

He persisted. The local county council put up £40,000. The Northern Ireland agricultural department gave £9,000 while the government's small firms association helped with a grant towards machinery. The Quinns sold their beef stock and the contents of their farm buildings. Other family members helped out.

"The banks took an awful lot of convincing that the course was a decent proposition. Now they can't lend us enough" says James.

Work on the course took three years. In the middle of it all, Quinn had a near fatal car crash and spent three months in intensive care in Belfast. The 18 hole, 5,662 yard course, was opened last September.

Nearly £400,000 has been spent. That includes the cost of planting more than 6,000 trees and the £13,000 paid to the Northern Ireland customs service for an old customs post. The former check point is now the club house, complete with bar and restaurant. In total eight people are employed.

"There are no jobs round here aside from farming" says James. "Danny Murphy, our greenkeeper, was 26 years away in England but always wanted to come back. Now he's here and acknowledged as one of the best at his job in the country." James admits that South Armagh has an image problem. Signs proclaiming victory to the IRA, or checkpoints manned by soldiers bristling with armoury, are not great tourist attractions.

"It's only a very small minority creating the trouble" he says. "It's certainly safer here than in New York. And far more beautiful."

Looking out over the Ashfield course, James describes his scheme as a long shot that came off. Some shot. James Quinn has never played golf in his life.

■ *Ashfield Golf Course, Freeduff, Cullyhanna, Co. Armagh. Tel. 0693-868180. £6 green fee.*

Computing/**Jean Miles**

Programs to shrink the black hole

DOMESTIC accounts by *computer? Does anyone* actually do it? With retirement looming I resolved yet again to try.

My previous attempts had been do-it-yourself, using standard spreadsheet programs. I am not an accountant; the figures I laboriously typed in did not tell me anything very interesting, and I soon gave up. This time I tried purpose- written budget programs.

A serious disappointment was the discovery that in this country there are no programs which will handle domestic finances comprehensively. Americans have programs which *will manage the budget and keep* track of bank balances; calculate loan and mortgage interest; run your share portfolio; prepare your tax return; remind you of your grandchildren's birthdays; and shimmer in with the morning cup of coffee given half a chance. Americans are even encouraged to send their tax returns in on floppy disk.

Here, you need at least three separate programs to do all that. And separate means separate: you would have to type the information three times over.

I tested two British budget programs, Money Manager PC and Personal Cashflow. I also used an American program, Managing Your Money, for purposes of comparison; the first thing I learned was that *keeping domestic accounts in triplicate* leaves very little time for actually spending any money.

All computer budget programs start out by having you define the accounts in which your cash lives and the categories of delights and horrors on which you spend it. "Accounts" will be things such as current accounts, credit cards and building society accounts. Budget categories will have to provide a place for the poll tax, groceries and dentistry. And so forth.

The first big decision is whether or not to define a "cash" account. Of course you have one: in your pocket. The question is whether to tell the computer about it. The alternative is to classify all cash withdrawals from the other accounts as a budget category *of their own called "cash" or* "sundries" or something of that ilk. Different computer budget programs give different advice on this subject in their manuals.

My husband and I do not use credit cards, but we often get through more than £400 a month in cash. As far as I was concerned, one of the main objectives of the exercise was to find out where it goes. So I set up a cash account in all three programs and tried to keep track of every penny. It is not as difficult as it sounds. I have a budget category called black hole to which I assign, from time to time, the money which *should* be in my wallet but is not.

Two of the three programs I was using suggested drawing up an annual budget. I did it. It took me *about an hour, and a very* interesting exercise it was. It consisted of guessing how much we spend each month on the regulars, petrol and food and computer magazines; and hunting out last year's bills so that I could assign a month and an estimate for all the rest. Even if I give up computer budgeting next week, those figures will be useful.

In use, the three programs were very different from each other, but all were easy. Essentially, the process consisted of typing in all expenditure item by item. For each item, you must tell the program which account the money came from, and which budget category the expenditure fell into. The means of doing that differed from program to program, but was straightforward in all cases.

Once you have given the computer even a few weeks' data, you can begin to interrogate the figures: What is the current balance in each of my accounts? The total cash in hand? How much did we spend on petrol last month? What percentage of our total income goes on food? This is the point where computer budgets begin to be useful.

We have always lived by squirreling money away in various accounts in the hope that there will be some somewhere when it is wanted, and many a bank statement has been stuffed out of sight after no more than a brief, horrified glance to see how low was the lowest ebb. Something more rational, I feel, is demanded of our grey hairs, and thanks to computer budgeting I am beginning to take control.

I know how much money we have in the bank. *My budget predictions* are rapidly becoming more accurate (largely due to upward revisions). I know which months of the year besides December are the expensive ones. I am beginning to see where we can cut down if we have to, once we actually start living on a pension. Best of all, I feel much as Hercules would have done after diverting the river Alpheus through King Augeas' stables.

■ In a further article I will evaluate in detail the three budget computer programs I was using.

FINANCE AND THE FAMILY

Diary of a Private Investor/**Kevin Goldstein-Jackson**

Time to reassess your portfolio

WITH Labour winning the Monmouth by-election there has been increasing speculation over the timing and possible outcome of a general election.

All this uncertainty can be unsettling to the markets and to the private investor. If the UK had presidential elections like the US then the date of the election would be known and the outcome might be more predictable.

However, the continuing uncertainty has meant that I have needed to reassess my financial situation.

I have taken advantage of the recent rise in price of British Telecom shares to dispose of my remaining holding in that company. A Labour government could easily use existing legislation to tighten controls on utility companies and thus reduce their profitability.

The only privatisation shares I now own are a small number of Southern Electric shares which I am keeping in order to gain the discount vouchers to reduce my electricity bills.

The Conservatives have linked capital gains tax to the rates of tax paid on income. Thus, if Labour's reported top rate of income tax is to be 50 per cent – plus 9 per cent national insurance – it seems likely that capital gains tax rates will also be higher than the current 40 per cent.

Under Labour the £5,500 annual exemption capital gains would be reduced. It would therefore seem to be prudent to ensure that tax-free gains are taken this year while they are still available.

I will also be reassessing my share portfolio to see which shares still rate a "long term hold" and those which are being held for the medium to short term. I may decide to keep the "long term" shares in the hope that by the time I come to sell them (perhaps five or ten years from now) the rates of capital gains tax will have been reduced again.

If it looked as if Labour was set to win with an overwhelming majority, I might sell some of my other shares to take advantage of current lower tax rates. I may later buy back shares in those same companies, having succeeded in establishing a higher "original cost" basis for those shares which should be taken into account if I have to sell them during a time of higher capital gains tax rates.

Labour may abolish or make changes to personal equity plans (PEPs). Gains within existing PEPs will not be taxed retrospectively, so they currently remain very attractive as a "holding mechanism" for shares bought with a view to hopefully making large – but highly speculative – gains.

However, there may be fewer gains to make as a result of takeover bids during a Labour government. This is because of party proposals for legislation to compel companies to disclose their bids earlier in the contest, establishing various rights for employees and requiring evidence that the takeover is in the public interest.

Some companies may do less well under a Labour government than at present. Spending on defence is likely to be lower, so defence stocks have few attractions.

On the other hand, some companies might benefit considerably from a Labour government. Free eye tests would be restored, so opticians and manufacturers and suppliers of spectacles and lenses might benefit considerably.

More is likely to be spent on attempting to provide decent public transport systems – so the manufacturers of items for British Rail and various bus companies should benefit.

Labour proposes tax and other incentives for companies to increase their spending on research and development, so it could prove financially rewarding in the long term to invest in small companies which have serious research plans.

In the "old days" the thought of a Labour government was enough to make some people think of stuffing their suitcases with cash and fleeing the country as quickly as possible. Now, money can be transferred to other countries at the touch of a button and the Labour party has worked hard to improve its image. But people with "earned" wealth are still likely to suffer more than those who have inherited it. And those who derive much of their income from shares could suffer greatly.

Is severance pay tax-free?

Q&A

BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I HAVE been told that severance pay is tax-free up to £30,000 and that the tax-free element will not be used to "gross up" taxable income, making it subject to higher-band tax. For example, my understanding is that severance pay of £35,000 added to other taxable income of £15,000, would be taxed at the rate of 25 per cent on £20,000.

Could you tell me whether or not this is correct, and if there are any pitfalls I have overlooked?

Also is there any difference in the treatment by the Inland Revenue of income from an occupational pension, or is it simply added to other taxable income?

■ Severance pay may be fully taxable in some circumstances; in some cases, the first £30,000 may be exempted from tax by the extrastatutory concession set out in Inland Revenue statement of practice 1/81 (non-statutory redundancy payments), which is obtainable from the Inland Revenue public inquiry office, Somerset House, Strand, London, WC2R 1LB. Where a severence payment is not caught by the general schedule E net the first £30,000 is exempt from tax by virtue of section 188 (4) of the Income and Corporation Taxes Act 1988 (as amended).

Assuming that the first £30,000 does qualify for tax exemption then the answer to the first part of your first question is yes, you are right. The answer to the second part of your first question is that there are many pitfalls: the amount of tax at stake generally makes it worthwhile to seek professional guidance through the tax maze. The answer to your second question is no.

Loss of value claimed

I HAVE a Mercedes 190E worth about £12,000. A few weeks ago I was involved in an accident with a tractor resulting in extensive damage – same £3,000 to my car. It was the tractor driver's fault and he accepts full responsibility. I am writing to ask if part of the cost of repairs – say £1,000 – could be recovered from the other party. I shall be selling the car later this month so it should be possible to establish the fall in value. The repairs were well done but a man with half an eye could see the car has been in an accident.

■ If what you seek to claim from the tractor driver is the part of the cost of repairs which you have borne as an excess on your insurance policy, you can recover that from the party at fault. If you were seeking to claim a loss in value this might be difficult to establish, as the repair work should have restored the value. It might be possible to run a claim of this kind if you could obtain expert evidence to the effect that the particular damage suffered in this accident could not be wholly remedied.

Letting a property

I HAVE a terraced house which I would like to furnish and let on a one-year short hold tenancy. Which steps should I take to ensure possession of the property after the rental period expires? I wish to avoid an eviction letter and application to the courts if this is possible.

■ You can grant an assured shorthold tenancy for a fixed term of not less than six months, having served the notice required by section 20(2) of the housing Act 1988. You cannot be sure that that you will not have to have recourse to the court to recover possession, but the court is bound to make an order.

My wife and our tax

MY WIFE and my tax office are in different areas because of independent assessment from this year. We both work and have dividend income on our holdings in joint names. My wife has received her code number, but not the tax return form. Should my wife write to her tax office asking for the tax return form? I have received my code number and tax return form as usual.

Further, I wish to write to my tax inspector requesting him to deal with my wife's assessment, so that our two assessments could be dealt by the same tax office. Do you think that it is advisable to write to my tax inspector and whether he would agree to my above suggestion?

■ Your wife probably need only ask for a tax return if either a) her 1990-91 code number did not result in her paying the right amount of tax or b) her 1991-92 code number is wrong.

It is unlikely that the Inland Revenue will agree to have your wife's tax affairs dealt with at the same tax office as your own. The administration of the tax system is designed primarily for the convenience of the Inland Revenue, not for the convenience of taxpayers. You could ask your tax office, or your wife's, for the free pamphlets IR52 (Your tax office: why it is where it is), IR80 (Income tax: a guide for married couples) and IR84 (Have you anything to declare?).

Exemption on gifts

IN Inland Revenue booklet IHT3 it says gifts up to the value of £3,000 in one tax year are exempt from Inheritance Tax, plus any unused balance from the previous tax year. If such gifts are made, it is presumably necessary that some record should be made in order that the Revenue will later accept their authenticity. What form should this take?

■ It is, as you say, essential to keep a record of each gift comprising the annual £3,000 exemption, with the amount, date and method of the relevant transfer being fully recorded. If several smaller gifts are made in a year, leading to a total at or near £3,000 the same is true in respect of each gift.

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)

Company	Shares	Value	No of directors
SALES			
Ambassador Sec	130,000	40	2
Appleyard Group	40,000	42	1*
Ash & Lacy	14,310	17	1
Beattie (James)	112,874	164	1
EIS Group	91,625	302	3*
Herring Son & Daw	33,000	59	1
Hewden Stuart	375,000	330	1*
Hogg Group	6,070	12	1
Johnson Grp Cleaner	2,400	12	1
Logica	4,966	10	1
London & O'Seas Fgt	37,500	22	1
Mucklow (A.J.)	200,000	237	1
Pittard Garner	120,000	75	2
Portmerion Potterie	50,000	106	1
Rolls-Royce	22,000	36	1*
Sears	80,000	69	1
Securiguard	100,000	111	1
Sinclair (Wm)	8,000	21	1
Sutherland Holdings	200,000	91	1
Tate & Lyle	5,325	20	1
TLS Range	100,000	42	1
Tomkinsons	8,600	22	2
Wiggins Group	27,500	11	2
Wilson Bowden	95,000	377	2*
PURCHASES			
Airtours	17,500	56	6
Greenacre Group	2,896,508	144	1
Greenacre Grp Pref	3,161,426	1,127	1
Smithkline Beecham	2,500	20	1
Trusthouse Forte	4,272	12	1

Value expressed in £000s. Companies must notify the Stock Exchange within 5 working days of a share transaction by a director. This list contains all transactions, including the exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange 13-17 May1991.
Source: Directus Ltd, Edinburgh

Directors' Transactions

A NUMBER of stocks appearing in this week's sales column appeared as purchases several months ago, when directors paid substantially lower prices. Among these are Logica, Pittard Garner, Securiguard and Wiggins Group.

The last-named illustrates the point nicely. Stephen Hayklan, the chairman, bought 530,000 shares at price between 7p and 18p at the beginning of the year. The managing director sold stock at 57p recently with the sale by Derek Silverton shown in the list taking place at 30p.

Logica is interesting with this sale by the operations director at a lower price than other recent director sales. Greenacre operates in two areas, homes for the elderly and the distribution of cat litter. John Nash has recently been appointed a non-executive director of Greenacre and it is his firm, Nash Sells and Partners, which is taking the stake.

Angus Macdonald, Directus

Abtrust goes for income

THE GROWING tendency for investment trusts to attract income-seeking investors was illustrated once again this week by the launch of Abtrust Preferred Income, which will aim for a yield of 15.5 per cent on its ordinary shares.

The new trust, like so many others in the high income area, has a split capital structure. The ordinary shareholders receive all the income from the trust, but the first claim on the assets belongs to the zero coupon preference shares, which are issued at £1 each.

The zeros will be repaid, when the trust is wound up in seven years, at a level which means that the investor will have earnt an annual gross redemption yield of 11.5 per cent. The trust needs only to maintain its asset value over seven years for the zeros to be repaid in full.

Any growth in net assets will be used to repay the ordinary shareholders, who initially invest £1 a share. Meanwhile, the trust will hope to generate a 15.5 per cent yield by investing in preference shares, convertibles and the income shares of other investment trusts.

There are risks involved. The shares in which Abtrust Preferred Income invests may be trading on a high yield because of market fears that their dividends will not be maintained. Thus there is the chance that Abtrust will not be able to achieve the 15.5 per cent yield, or that the ordinary shareholders will lose part of their initial £1 per share capital investment.

The trust will be valued at £15m at the issue price, with 9m ordinary shares and 6m preferred shares.

Philip Coggan

An up and down ride for Tessa investors

YESTERDAY'S cut in base rates was excellent news for homeowners, but looks likely to signal poorer returns for tax-exempt special saver accounts (Tessas).

One big player, National Westminster, responded promptly to the fall in base rates by cutting a percentage point off its Tessa, which now offers 12 per cent. OPthers seem likely to follow.

Interest rates for the products, first offered at the beginning of the year, have fluctuated with little obvious pattern, and the new market is still settling down. Critics seem to have caught building societies and other providers in a Catch 22 situation – those that have kept their rates high are accused of "loss leading" and artificially high rates, while those which cut rates are open to the charge of "selling out" customers who locked themselves in at high rates.

Neither criticism is wholly fair, but there are elements of truth in both. The highest rates are being offered by relatively small providers, such as National Counties building society (which dropped to 15 per cent last week, having stayed at 15.4 per cent since January) and Exeter Bank (14.25 per cent, but with a compound annual rate of 15.03 per cent). Both these rates have remained unchanged since January.

Lambeth, another relatively small society, increased its rate from 14 per cent to 14.75 per cent after the product's launch and has held at that level.

Other providers started lower, then bettered these rates, but then relented. Nationwide's Bond and Flexi Tessas began offering 14.0 and 13.5 per cent respectively. By the end of January, these hit enticing peaks for investors of 15.5 and 15.0 per cent. Cuts made in the wake of the society's recent mortgage rate cut, which may or may not have been connected, brought Tessa rates down to 13.4 and 13 per cent.

Abbey National has followed a more circuitous route, but its savers now receive a poorer rate than when they started – it was 13.8 per cent in January and is 13.0 per cent now.

The ranks of those who could not be accused of loss leading also include Skipton (down to 13.25 per cent having hit 15.25 per cent), and Lloyds (down to 12.00 per cent).

Perhaps the most disoriented savers hold Tessas with the Cheltenham & Gloucester. Its Maxi-Tessa enjoyed a comet-like career, offering 15.33 per cent before being discontinued at the beginning of February in the face of overwhelming demand. Maxi's junior partner, the Flexi-Tessa, has lived up to its name, opening at 12.0 per cent, increasing to 14.5 per cent within a month, but now offering only 12.0 per cent.

Fixed rate Tessa holders might now be permitted to feel a little smug, although their rates are still not quite as good as the average available elsewhere. Save & Prosper still offers a clever account with a fixed rate at 10 per cent for one year – this will probably now be reviewed. After twelve months, you can choose to switch to a variable Tessa or carry on at a fixed, but possibly different, interest rate.

National Mortgage Bank is offering 11 per cent compound annual rate and Confederation Bank 11.25 per cent CAR. Both are fixed for five years, but you have to provide large lump sums to start. Allied Irish Bank offers 9.5 per cent fixed.

Savers still have a while to wait before they can relax and enjoy any cosily predictable behaviour in their accounts, but this base rate cut seems likely to affect rates.

John Authers

TESSA RATE CHANGES (%)

Institution	Start	End Jan	Mar	Apr	May
Abbey National	13.8	15.0	—>	14.0	13.0
Barclays	13.0	14.0			—>
Lloyds	13.5	—>	12.5	12.0	—>
Midland	13.5	14.5	—>	13.5	—>
NatWest	14.0a		—>	13.0b	12.0
Exeter	14.25c				—>
C&G Flexi	12.0	14.5	13.5	12.5	—>
Halifax	13.6	—>	14.0		—>
Lambeth	14.0	14.75			—>
National Counties	15.4			—>	15.0
Natwide Bond	14.0	15.5	14.4	——	13.4
Natwide Flexi	13.5	15.0	14.0	——	13.0
Skipton	14.0	15.25		—>	13.25

Source: Moneyfacts. a=14.75% CAR. b=13.66% CAR. c=15.03% CAR. Rates are subject to sudden change

FOOD & DRINK

Blaye deserves more attention

*Classy clarets are expensive. But **Edmund Penning-Rowsell** has an alternative*

BLAYE IS probably least visited of the larger Bordeaux wine districts. Blaye is 45km from north to south, and 30km east to west. It faces Margaux across 5km of Gironde; in the south it adjoins the Côte de Bourg and in the north merges with the Charente.

In the Bordeaux hierarchy these "Côtes" wines, *which include Castillon*, Francs and the Premières Côtes, rank just above the generic appellations of Bordeaux and Bordeaux Supérieur, but like the others, several of the 480 growers are making efforts to raise the quality, while maintaining good value.

Much of the district is attractive rolling country, although towards the east it tends to be flat, with poor soil that bears no wine appellation, but cultivates what Blaye is best known for in France – asparagus.

Blaye is on an estuary that figured prominently in the Hundred Years War. It is dominated by the enormous Citadel, covering 95 acres. Vauban's masterpiece of military architecture was built in 1689 and, like the smaller Fort de Médoc he built on the other side of the river, it was to protect Bordeaux from the still allegedly threatening English.

Twenty two of the 40 communes in the Blaye district produce wine. *A proportion just produce plain vin de table.* Three of the best wines Plassac, Berson and Cars are all in *the neighbourhood of Blaye itself.* By far the greatest proportion is red, about 200,000 hl a year – although *rather more in the record* 1990. There are two *appellation contrôlées*, Blaye or Blayais (little used now) and Premières Côtes de Blaye. *The differences are a minimum of* 10 degrees in strength and a maximum base yield, subject to annual differences, of 55 hl per ha, and 10.5 degrees and 50 hl per ha. The leading growths all opt for the higher appellation.

About 20 growers produce white Premières Côtes de Blaye, and this is when the impetus to higher quality levels lies, although there is still more made of plain, undistinguished white Blaye Blancs.

Blaye is Merlot country, with an average of 70 per cent of total red production. From this is produced the early-maturing wines that are 'Côtes' specialities. They have the advantage over Fronsac and Bourg *of being much less tannic, and*, depending – of course – on the vintage, readily drinkable after four or five years; *all too often they are* drunk earlier.

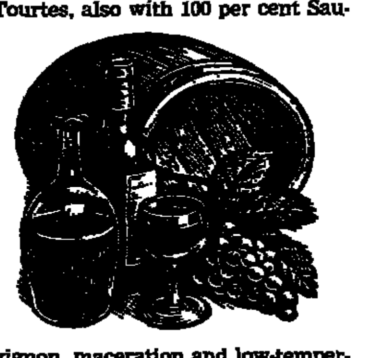
At one time the Cabernet-Sauvig*non was the most planted red grape*, and in some of the best estates it is well represented. Bertinerie is 60 *per cent Cabernet-Sauvignon.* Perenne, the largest vineyard of 60 ha, bought by a Danish group in 1989, is *44 per cent* Cabernet-Sauvignon and 20 per cent Cabernet-Franc, and La Ravellerie is 60 per cent Cabernet. In nearly all estates Cabernet-Sauvignon is the second variety planted.

White Blayes are usually undis*tinguished* because they are undistinguished grapes and are fermented in the traditional way that provides little real flavour or freshness. For the whites there is an additional AC – Côtes de Blaye. With this, as with the basic one, it is permitted to use not only Sauvignon and Sémillon, as in the rest of the Gironde, but Colombard, which may be a favourite grape in California but is thought little of in France.

Then there are the Folle Blanche and the Ugni Blanc, which are only good enough to provide the basic wines for *distillation* on the other side of the Charente boundary. But for the Première Côtes whites only *the Sémillon, Sauvignon and, mar*ginally, Muscadelle are allowed. The 15-20 growers seeking quality *are working principally on* these grapes, using a slightly higher minimum strength and lower yield. About 20,000 hl are produced, compared with 25,000 hl for the lower ACs.

Three of these growers stand out as part of the "new wave" of dry white Bordeaux. First, undoubtedly, is Bertinerie. The 1989 wine has a concentrated, moderately oaky, well-balanced long taste that is very distinctive. It is made with 100 per cent hand-picked Sauvignon grapes in a district almost universally machine-harvested, and is macerated before fermentation in 100 per cent new oak. Oddbins sell it at £6.59, and the attractive 1988 red at £4.69, unusual here for having only 15 per cent Merlot.

The second estate setting out to make new wave Blaye is Les Tourtes, also with 100 per cent Sau-



vignon, maceration and low-temperature fermentation in new oak; but this needs time. The third is the enterprising Civrac co-op of Les Hauts de Gironde. Unlike most co-ops, it is full of new equipment producing an excellent skin-contact, non-oaked 1990 Sauvignon with a peachy bouquet.

Nearly half the red and a good deal more than half the white Blaye is sold in bulk to the Bordeaux trade for blending, thus losing any identity. Traditionally, Blaye has relied on its *vente directe* to private customers and a little to restaurants, which altogether accounts for about two-thirds of total red AC output. Direct selling rests not on cellar door purchases by visitors, but on strenuous door-to-door selling in the non-wine-producing regions to the north, particularly in Normandy and the country districts south of Paris and around Chartres.

Nearly all the 200 growers who bottle and market their own wine *engage to some extent in this trade*, but the specialists are the Carreaus, who between them own four *châteaux and* 200 ha of vineyard, and their cousins the Sabourins. The Carreaus, headed by Xavier Carreau, president of the Blaye Syndicat, spend three months a year in Normandy where they have 12,000 customers. The Sabourins cover a sales territory further south in Normandy.

By most French wine region standards it is an odd trade, in what they call *cubicontaineurs* which we know as bags-in-a-box. This is combined with wines sold in returnable, chestnut quarter-casks, holding the equivalent of 75 bottles apiece. To match these 15-bottle cases are also sold, so that the empty bottles can be re-used to bottle subsequent cask consignments. The *cubicontaineurs* hold the equivalent of 37 bottles and each delivery is accompanied by corks marked *mise en bouteille par l'acheteur* and appropriate château labels.

After 1992 will the English Channel remain the only barrier to, and thereafter the Channel Tunnel provide the means of access for these vineyard vendors?

Blaye wines tend to develop differently from those in the Médoc *opposite. The soil has more clay (argilo-calcaire)* and so holds the water better than in the gravelly *Médoc*, where it swiftly drains through. Blaye is less subject to drought.

While the 1989 clarets are highly praised throughout the Gironde, the classic vintage in Blaye is 1988; it is not yet ready but should be very fruity with plenty behind it. I even had very drinkable '87s, notably at Perenne, one of the most promising of the estates, with a particularly good '88. Although most '86s are still very tannic and astringent, here they were more developed, and often softish, while the '85s are better constituted and should keep well. The deep coloured, rich-flavoured '90s are promising to be bought and kept.

The big export market is Belgium, followed by the Netherlands and Denmark. About 20 growers are said to import to Britain, but on lists to hand Blayes are regretably rare. One of the best I visited was *Sociondo. Its fruity-but-still-to-de*velop '88 is listed by Lay & Wheeler of Colchester at £5.25.

Of the 14 '88 reds from châteaux I had been unable to visit, but since tasted, I picked out four: Haut Gerlot, Monfollet, a single *cru* from the Cars co-op, Les Tourtes and Les Moines. Berry Bros & Rudd of St James have the '85 at £4.60. *Fields* of Sloane Avenue, SW3 show the Ségonzac '86 (£5.35). This I enjoyed at the château, but not the La Croix de Rousset '86 *(£3.79)* or the *Fon*blanche '86 (£4.59) from Peatling of Bury St Edmunds. Avery of Bristol *has the '87 (£4.37) and '86 La Menau*dat, owned by the Cruse family of Bordeaux.

I visited it, and found the '87 surprisingly full; and this was followed by the very complete '79, which like the '78 at Monconseil-Gazin, showed that well-made Blayes can improve and keep with age.

The Bordeaux merchants seldom visit Blaye, but rely on brokers to send samples, often of just bulk wines at a stated price level, and the time-pressed British companies on buying trips rarely find time to go so far afield. Blaye, therefore, like its neighbours, receives less attention than it deserves at a time when classy clarets are mostly so expensive. So those on lists here are worth inspecting.

For visitors to the area there is an extensive range of red and white wines in the *oenothèque* in the *Syndicat Viticole* in the main street of Blaye. And those in the Médoc can cross the Gironde by the Lamarque-Blaye ferry three or four times a day.

Cookery

The delectable buds of May

***Philippa Davenport** with recipes that demand a good turn of speed from the cook*

MY *THEME this* week is speed. Speed on two counts. *First* elderflowers, the season for which is so fleeting that you are liable to miss it if you delay between seeing the blossom and picking it. In my area the flowerbuds have just formed so I can risk 40 winks perhaps, and readers in the north and Scotland can probably afford to relax a bit longer, but those in favourably sheltered southern and west country areas ought to be on their marks, ready to get set and go.

The delectable muscat quality of elder blossom never ceases to amaze me. Like the *scent of wallflowers it seems* unexpectedly glorious coming from such plain-faced flowers.

Pounce on elderflowers and relish them fresh, dripping with batter for the best-ever fritters. Add them to the pan when cooking little green gooseberries and use them to make *faintly fizzing pails* of elderflower champagne, far and away the best "country wine" in my reckoning. Most important of all, because it is so versatile and such a concentrated elixir, make elderflower syrup.

ELDERFLOWER SYRUP

Use this to flavour and sweeten all manner of gooseberry puddings, pies, ice-creams, sorbets and jams. Include it in autumnal mousses and jellies studded with muscat grapes. Drizzle it over pancakes and add it to *frozen gooseberries in winter* to bring back memories of summer. Last, but not least, *turn elderflower syrup into a* deliciously refreshing cordial on hot summer days. Pour a couple of *spoonfuls of the* syrup into a tall glass, add a few ice cubes, a generous slug of freshly squeezed *lemon juice* and top up with chilled mineral water, preferably a fizzy variety.

To make the basic syrup, first grate the zest of one lemon *into a large saucepan*. Add ½lb sugar, pour on 1 pt water and bring to the boil.

Add 12 heads of elderflower, or 24 if you love them extravagantly. *The blossoms should be* picked well away from main roads, freshly unfurled to the *full, and shaken lightly to dis*lodge any dust or insects they may harbour. Cut the stalks *short, close to the creamy* heads, as you drop the blossoms into the pan. Push them well down *into the liquid* and bring back to the boil.

Cover and set aside until cold. Then squeeze the juice of the lemon, stir it into the syrup, strain and bottle. If *stored in the fridge this should* keep for nearly a year, almost tiding you over from one elder*flower season to the* next.

■ ■ ■

My second thoughts about speed are of more *immediate* concern for everyone. Another bank holiday this weekend confirms that summer *has* arrived, technically anyway. Even those who have hibernated *happily* in their armchairs all winter long must be ready to cast a clout and get out *and about* by *now*.

The trouble about outings is that they tend to mean late *returns home and the home*coming party will often be tired and maybe a little *scratchy* as well as hungry. I speak for myself here. The thought of having to cook as well as having to unpack and wash up the picnic things is unalluring at the end of a long day. Short orders are the best answer when tempers are short.

Henrietta Green and Marie-Pierre Moine come to the rescue with practical inspiration for just such occasions *in 10-Minute Cuisine* (Conran, Octopus £14.99). What makes the book so appealing is the zippy way it races along, packed with ideas as bright as its flavours.

Most cooks could glean some useful tips from this book, and although it assumes some culinary experience, *its theme of* speed should win it friends among novice cooks – because *what beginners* need *as much* as anything else, surely, is quick rewards to spur them on.

It would be a good book for a student setting up in a first time flatlet, or to put into the hands of a reluctant-cook partner as you slip away to, say, Tuscany, for a week.

Mark you I think the 10-minute promise is pushing it a bit (the book title was chosen to echo Edouard de Pomaine's *classic, I dare say). None of the* recipes is elaborate or lengthy but I doubt that many cooks are quite that nifty.

CHICKEN BREASTS WITH COURGETTES & TARRAGON

(serves 4)

This recipe and the next comes from *10-Minute Cuisine*, happy proof that fast food need not mean Big Macs.

3 courgettes; a few sprigs of tarragon; 7 fl oz chicken stock; 1 tablespoon white wine vinegar; 4 boneless chicken breasts; 2 oz butter.

Roughly slice the courgettes and spread them evenly in a sauté pan. Sprinkle them with half the tarragon leaves. Pour on the chicken stock and vinegar. Cover the pan and steam-boil over moderate heat for a couple of minutes.

Meanwhile skin the chicken breasts and *cut* each in half lengthways.

Place the chicken pieces over *the courgettes, sprinkle* with sea salt and the remaining tarragon leaves. Cover and steam-boil *for five minutes.*

Remove the chicken and courgettes from the pan, put them on a warmed plate and keep hot. Turn up the heat under the pan and whisk the butter into the cooking liquid. Season this sauce and pour it over the chicken.

BLACK PUDDING WITH APPLE

(serves 4)

As the authors point out, some *butchers still make* their own black puddings and these are often worth buying. Otherwise look out for fresh black puddings rather than pre-packed varieties. If you can get hold of black pudding made by Fife butcher Fred Stahly you might have a champion dish on your hands.

At any rate his black pudding, a secret family recipe that includes "a wee dram of Drambuie", came first in a field of 600 entries from all round the world at the recent *Concours International du Meilleur Boudin* in Normandy.

1½ oz butter; 2 sweet dessert apples such as Cox's or russets – as they they cook fast, hold their shape well and have a good depth of flavour; 1 lb black pudding; 4 fl oz dry cider; 2 teaspoons mustard.

Melt two-thirds of the *butter* in a frying pan. Core the apples but do not peel and cut them *into 8 slices. Add the apples to* the pan and fry them over a low heat.

Cut the black pudding into slices about ⅓-inch thick, which will cook fast without collapsing. Push the apples to the side of the pan and add the black pudding. Fry the black pudding over a low heat for three to four minutes on each side.

Using a slotted spoon, remove the black pudding and apple from the pan, arrange them on a warmed plate and keep hot. *Turn up the heat* under the pan and pour in the cider. Whisk in the rest of the butter *along* with the mustard. Scrape the pan well with a wooden spoon to deglaze. Season the sauce with sea salt and pepper and pour it over the black pudding.

■ The gremlins got into my article last week on greenery. It is lovage and *not* sorrel leaves which you wrap around rabbit or chicken joints to protect and aromatise the meat or use when boiling a gammon or bacon joint.

Food Books

Poison pen

THERE ARE one or two crumbs of comfort in Professor Richard Lacey's *Unfit for Human Consumption* (Souvenir Press, £12.99) for the Ministry of Agriculture, Fisheries and Food.

The cover will not lure many impulse purchases; the revealing tables at the end of each chapter are poorly displayed; and, most disappointingly, there is not even a brief history of the ministry's shortcomings over the past decade – shortcomings which have led to Britain's miserable tally of more than 1m cases of food poisoning a year.

This will be small comfort for the bureaucrats, compared to the sharp barbs Lacey, Professor of Clinical Microbiology at the University of Leeds, Yorkshire, has been pushing in to the flabby underbelly of their ministry since 1984.

In that year there were two large outbreaks of salmonella poisoning in the UK. The first at Stanley Royd Hospital, Wakefield, where 455 cases led *to 19 deaths; the second*, less widely publicised, on British Airways resulted in 766 cases *and two deaths.*

Between 1983 and 1988 the reported cases of salmonella *poisoning in the UK increased* 15-fold. Lacey has launched a three-pronged attack. The first argued *that whatever the gov*ernment chooses to do, or not, about the safety of the food we *eat, ultimate responsibility for* our own personal and kitchen hygiene lies with us. His *Safe shopping, Safe Cooking, Safe Eating* (Penguin £2.99, 1989) laid out many practical rules *we can and should observe in* our homes.

Lacey's other two main argu*ments form the basis of this* book. First, he believes that the Second World War united *farmers, business and the Min*istry of Agriculture, and as a result the British consumer has been badly neglected. This has led to the approval and wide-spread use of BST (bovine somatotropin) a hormone which stimulates the production of milk, already in over-supply, and the failure to acknowledge that the egg rather than the chicken is the home of salmonella. Lacey urges the compulsory identification of eggs with their farm of origin.

More worrying is the failure of this government to acknowledge the scale of the problem posed by BSE (bovine spongiform encephalopathy or "mad cow disease"). Lacey estimates that the chance of BSE spreading from cattle to man is higher than 50 per cent and argues that the greatest danger from British beef, given the illness's long incubation period, is to the most vulnerable in our society, young children and pregnant women.

Lacey's other preoccupation is with the changing forms of food processing and preparation. The cook chill system, which has an annual value of £200m and an important role in such institutions as National Health hospitals, has been introduced without sufficient controls while the long term safety of the microwave – and there are more microwave ovens *per capita* in the UK than any other country – has yet to be proved.

The extension of pub hours poses another threat: food that would have been thrown out at *closing time after lunch, sits* around waiting for the next lucky customer.

Lacey's solution would be an agency responsible for food safety independent of the *government yet answerable to Par*liament. This, along with all the other pleas for greater *consumer protection, seems to fall* on *deaf* ears at MAFF and will continue to do so until safety *and quality* are given the same prominence as quantity, and therefore price, in the virtues *we look for in our food.*

There remains the problem of how Lacey's message will *get across to the nation. This* book does not boast great literary style yet its contents affect *every one of us. My fervent* wish is that Lacey's next book will be written in conjunction with a popular journalist. Or that Yorkshire Television, also based in Leeds, can be persuaded to bring his message *to* the same size of audience, 17m, as they have won for *The Darling Buds of May.* Lacey's message is that important.

Nicholas Lander

Appetisers

WHAT do champagne producers have in common with Gazza? Fallen heroes, every one. Britain's champagne imports halved in the first three months of this year. In more visible *protest at rising prices with* no sign of rising quality, several influential compilers of wine lists have let France's prototype fizz out its traditional special enclosure marked "Champagne" to fend for itself with allcomers from around the world under the generic heading "sparkling wines." One wine that eloquently demonstrates why is Antinori extra brut. It costs about £11.60 a bottle but happily withstands comparison with cheap *champagne – especially for* those who like a bit of age and depth. Stockists include Lay & Wheeler of Colchester, Smedley Vintners of Lilley near Luton, John Ford Wines of Hove, Sussex and Valvona & Crolla of Edinburgh.

■ ■ ■

AT THIS time of year the need for a house white, the wine to keep in the fridge door, becomes more pressing. For around £3 a bottle there is little shortage of clean, crisp, well-made wines with no rough edges but very little character. Flavour seems to cost about £1 per bottle more and has, so far, rarely come from Italy at this price level.

The 1990s whites from the Viticoltori dell'Acquese are a revelation however – *especially their Cortese del* Piemonte 1990 which brings you real finesse, structure, *and pear-like flavour for* £3.95 from the Barnes Wine Shop, London SW13 and £3.89 from Winecellars *of Wandsworth*, SW18.

Jancis Robinson

Gazebo with a view: the Sunday Times Edwardian Garden at the Chelsea Flower Show includes a waterfall, a section of canal and a teak bench inspired by Chippendale

Lydia van der Meer

Hits in subtle hues

Robin Lane-Fox picks his favourites at this year's Chelsea Show

THE CHELSEA Flower Show is always a matter of hits and misses: the hits strike home harder on the rebound. The big growers of clematis no longer turn up; paeonies are having a lull; somebody now fashions bird-baths out of pairs of cupped, caring hands made of artificial stone. *The Daily Telegraph* was showing a Gothic retreat: on the edge of its herbal parterre, the discreet figure of a nude female, made out of evergreens, was crouched in a position which reminded me of Eve in Milton's Paradise Lost. No doubt you remember the lines in which she laments how the Garden of Eden "mocks her scant manuring."

Among this year's hits, my personal best was not a commercial exhibit. It left the trade growers in an altogether lower class. As you entered the main tent and escaped the mini-tractors perhaps you, too, noticed the superb display of hybrid orchids from the Eric Young Foundation on Jersey.

I have never seen a better stand of orchids at any show in my lifetime. The Foundation's Cymbidiums were gleaming with a deep, rich yellow; the hybrids with the blood of the Ladies Slipper orchid were better shaped and more clearly coloured than anything brought to Chelsea by the trade. There were moon orchids, Miltonias and dozens of the crosses and selections which the Foundation's expert curators have continued since the founder's death. The late Eric Young made a fortune, based on jewellery shops on Jersey. He spent a generous part of it on orchids and their breeding, the new jewels from the botanical world which can otherwise be seen only by visitors to the Foundation's glasshouses in season.

Orchids may seem daunting to many owners of conservatories; at the other end of the tent, they could enjoy the possibilities opened by a new exhibitor. Noel Kingsbury runs Sunbeam Nurseries at Frampton Cotterell, Avon (tel: 0454-776926): gardening ran in his father's blood, too, perhaps without the accompanying ear-rings, and Kingsbury claims to offer "the widest selection available to the general public" of conservatory and tender plants.

The Kingsbury range certainly had me struggling: he sells 10 different Banksias from a handsome Australian family. He offers an old-fashioned Abutilon called Souvenir de Bon. If you want something new indoors or in a pot outdoors during the summer, the Kingsbury catalogue needs careful study. Almost before you could say £4.50 each, I had ordered a violet-flowered beauty called Alyogine and three of the brilliant blue plants called Tweedia, which lend height to the summer bedding schemes at Sissinghurst. If in doubt, perhaps you should pre-arrange a visit off Junction 19 on the M4. "A wicked rumour has been circulated", his catalogue advises, "that the nursery is hidden behind a scrapyard . . ."

On more familiar ground, David Austin has made another breakthrough in the range of English roses which he breeds at Albrighton, near Wolverhampton. Five years ago, we were all welcoming the first of his clear yellows, the vigorous Graham Thomas. Since then, it has proved its stamina but the colouring has also proved its strength. The yellow is a butter-yellow which is best isolated in a mixed border.

Now, we have the newly-bred The Pilgrim instead. It seems to be just as strong but its heavily-petalled flowers are a clear lemon-yellow which is much easier to place. I could picture it at once in dozens of combinations, perhaps especially with the blues of the campanula family. It has the blood of the strident old bushrose Chinatown in its parentage which has surfaced in vigour but not in violent colour.

Apart from new plants, Chelsea has an ever-wider opening for the newer nurseries. Exhibitors can only show by invitation and as some of the bigger companies fade or avoid the expense, smaller exhibitors have stepped in to give the show a distinctive tone. Their owners go to infinite pains as arrangers of colour: their climbing plants are cleverly pinned and they exploit the paler colours of pink and lilac in their lesser-known border plants. Orange is out, except on stands which glare, such as the Birmingham City Council's riot of red-hot municipal taste.

In quite a different style, Rushfields Nursery, of Ledbury, stood out from the pack. It made such sensitive use of colour and chose its rare plants with care. It takes an artist's eye to mix white and blue Tradescantia Osprey with the cream-variagated Osteosperum Silver Sparkler and its white daisy flowers. It takes an artful plantsman to exhibit the double form of sweet white Rocket among them. Conservationists regard this plant as a Holy Grail, after the post-war decades in which it was believed to have been lost. "Available sporadically", says Rushfields in its unusual list which I am reading with pleasant memories of Rushfield's connoisseurship at Chelsea.

As often, I admired the Royal Parks most of all among the exhibits of plants for life outdoors. It is so easy to point to the monsters, to the Fifes and Birminghams, the models of Royal Ascot made from bedding plants or to the strange colour-sense of the Belgian Office for the Promotion of Agricultural and Horticultural Produce. Public institutions are not endemically deficient in gardening's artistry. This year, the Royal Parks excelled even its own previous standards, showing flowers which any one of us could grow ourselves from seed.

It is not just the range of easily-grown plants which I covet: it is the eye which arranges them with such flair. Even the fierce yellow of pot marigolds, with names like Orange King, blur gently into their neighbours and do not overpower the scheme. Second and third year apprentices in the Royal Parks had put the exhibit together but I think we could all detect their seniors' master-minding.

Since the mid-1980s, the Royal Parks at Chelsea have reminded us that British bedding out can be a work of art. The reminder has yet to take root in most of our front gardens but I hope that this year's apprentices will have fanned out through the country by the 21st century and put it to rights. If you want to join in and take up an apprenticeship, ring Mrs Bryant on 081-859-4959. Otherwise, ask for a list of plants which the Royal Parks use and privatise them in your own borders, making yourself an apprentice to these public masters of the art.

Biennials that break the rules

BIENNIAL plants, as their name suggests, should complete their life cycle in two years, germinating their seed and making much of their growth the first year, flowering, setting and ripening their seed and then dying the second year. However, not many plants actually stick rigidly to this regime.

Even the foxglove, which normally has a two-year life span, will occasionally live on for a third or even a fourth year. And it is from the biennial stock, Mathiola incana, that the ten week stock, which is an annual, the Brompton stock, which is a biennial and the Lothian stock, which can be sown to flower late that same year, have all been bred.

The garden sweet williams all come from a common ancestor, Dianthus barbartus. This is a perennial but some varieties are grown as annuals, some as biennials and just a few as perennials though they can have rather short lives unless frequently rejuvenated from cuttings.

Garden varieties of the common wallflower, Cheiranthus cheirii, are nearly always grown as biennials but the wild species will usually live for years when established in stony places. There are also double flowered varieties, such as Harpur crewe, which set no seed and must be renewed from cuttings, which extend their life indefinitely. Some think that Harpur crewe has been grown since Elizabethan times but I know of no hard evidence of this.

At this time of year thoughts turn to biennial plants because May and June are usually the best months during which to sow them. In most cases the seed can be sown outdoors in a well prepared bed from which seedlings can be transplanted as soon as they can be handled, either into a nursery bed or, if they are not liable to be smothered by older or faster growing plants, directly where they will flower the following spring or early summer.

When biennials have finished flowering they can be thrown on the compost heap, but many kinds will renew themselves from self-sown seeds if the plants are left in the garden to complete their life and scatter their ripe seed.

I practise a variation of this system with forget-me-nots, which grow very well as biennials on my rather heavy, moisture-retentive soil. I pull up the plants when the flowers have faded and scatter them over the soil wherever I want forget-me-nots the following year. They ripen and drop their seeds and the plants remain for a while, giving both shade and protection to the seed and seedlings.

Another biennial that is self perpetuating in my garden is honesty, Lunaria annua. It is unfortunate that the botanist who named this plant called it "annua" for it never, to my knowledge, behaves as an annual but is reliable on a two year cycle. It is a bold, upstanding plant with big, loose sprays of four-petalled, magenta or white flowers in May and June followed by oval, parchment-like seed vessels which make excellent winter decoration.

Many years ago I started with both colours and they have maintained themselves in roughly equal numbers. Some years ago they spread out of the garden into the hedgerows of the farm lane where they have been joined by the forget-me-nots, an object lesson in ecology in which I have played only the minor role of preventing the newcomers being overrun by brambles, nettles and other rampant plants.

I used to have some honesty plants which developed heavily variegated leaves in their second year. The variegation was cream and irregularly splashed over the leaves and was effective but a little untidy. I have not seen any for a year or so but I daresay some are hanging around and that the population may build up again one day. This is a recognised variety marketed as Lunaria annua variegata and coming through to type from seed, which can be purchased from Chiltern Seeds, Bortrie Stile, Ulverston, Cumbria.

Campanula: a genuine biennial

A genuine biennial, which I have never seen grown in any other way, is Campanula medium, popularly known as Canterbury Bells. This is a sturdily erect and rather leafy plant with large, deeply bell-shaped flowers in July and August. Gardeners have selected varieties which have a second row of petals around the main flower, giving it a cup-and-saucer effect and others with even more petals producing a fully double flower.

All these forms are available in various shades of blue, pink and white. The seeds are best sown in a frame or propagator as they are very small and like a temperature around 70° F for germination. The seedlings are also small and best pricked out into trays or seed pans until large enough to be safe outdoors in a nursery bed.

Nowadays I see fewer of these sumptuous plants, which are so much associated with cottage gardens. I think this may be because they take up rather a lot of space and have a short flowering season, but when they are out one begins to wonder why one ever went without them.

Arthur Hellyer

As They Say In Europe

And God created Edith

EDITH CRESSON faced a torrent of innuendo from the right as soon as she was promoted to prime minister by President Mitterrand. It was not just the unsavoury Jean-Marie Le Pen of the National Front who said things like, "A lady of the harem who marks the end of the reign." The left wing *Liberation* trotted out: "And God Created Woman." President Mitterrand is known as God.

Liberation's headlines are a topic in their own right. On Sunday, Cresson in a television interview outlined her plans – at least she revealed how she would proceed, but not what she was going to do. *Liberation* ran the story under "Discourse on Method" – the title of a work by the 17th century thinker, Rene Descartes.

The French have lived under the Cartesian lash for three centuries: it demands a rigorously analytical approach and total clarity. So *Liberation* covered most of the rest of its front page with the following sentence: "Still avoiding any commitment on a policy whose main outlines will be presented Wednesday, to deputies and senators, Edith Cresson strives to mark out the difference, notably vis-a-vis Michel Rocard, expressing herself more fully further, with words she wants to be direct and familiar, in wishing her government a more collective form of work."

Descartes built his reputation on what became known as dualism – the split between the mind and body. Nowhere is this duality to be seen more clearly than in *Le Figaro* when it starts talking about Mitterrand. The appointment of Cresson allowed the mind to disappear almost entirely. One editorialist, Alain Peyrefitte, wrote: "In April 1962, when Georges Pompidou was named prime minister, the left squealed: 'You dare to take a man from private life who isn't a parliamentarian!' Mr Mitterand designates a woman who isn't a parliamentarian. Not a murmur from the left."

It may be the fact that Cresson had been a minister that ensured the mobs did not take to the streets in response to this revelation of base hypocrisy. So subtle irony was employed instead. The next editorial was headed, "The president's man."

But when it came to a real hatchet job, the most impressive work appeared in the paper the French affect to despise, *France-Soir*. In the column entitled, Les Impertinents, Claude Vincent wrote of the "rejoicing" that the elevation of Cresson had evoked. "I am astonished that these eulogies aren't directed at the man who deserves them. It is a little inept to compliment Edith Cresson on being a woman, instead our fervent gratitude should be directed at the president of the Republic. He invented this novelty. Ah, thank you Mr President: Having given us a product of a *grande école*, a Gaullist, a blockhead and a bore, you have now given birth to a daughter of fire whom you will send to Japan, 'a la francaise,' as a third atomic bomb."

This was the sole reference I could find to Cresson's anti-Japanese trade policies.

Back at *Le Figaro*, there next came a commentary headed: "The debacle announced." It opened with the words: "The French are gallant. They saluted the nomination of Edith Cresson as head of the government with courtesy."

Descartes chose his words carefully. He wrote, "I think, therefore I am." Not, the more obvious "I am, therefore I think."

■■■

The next item may need explanation. It concerns the saga of the pink tank of Prague. In a central district there stands a Soviet tank. It is said to be the first one into Prague when it was liberated on May 9 1945. In view of the subsequent role of the Soviet armed forces in Czechoslovakia one can understand that this tank is viewed in an equivocal light by the natives.

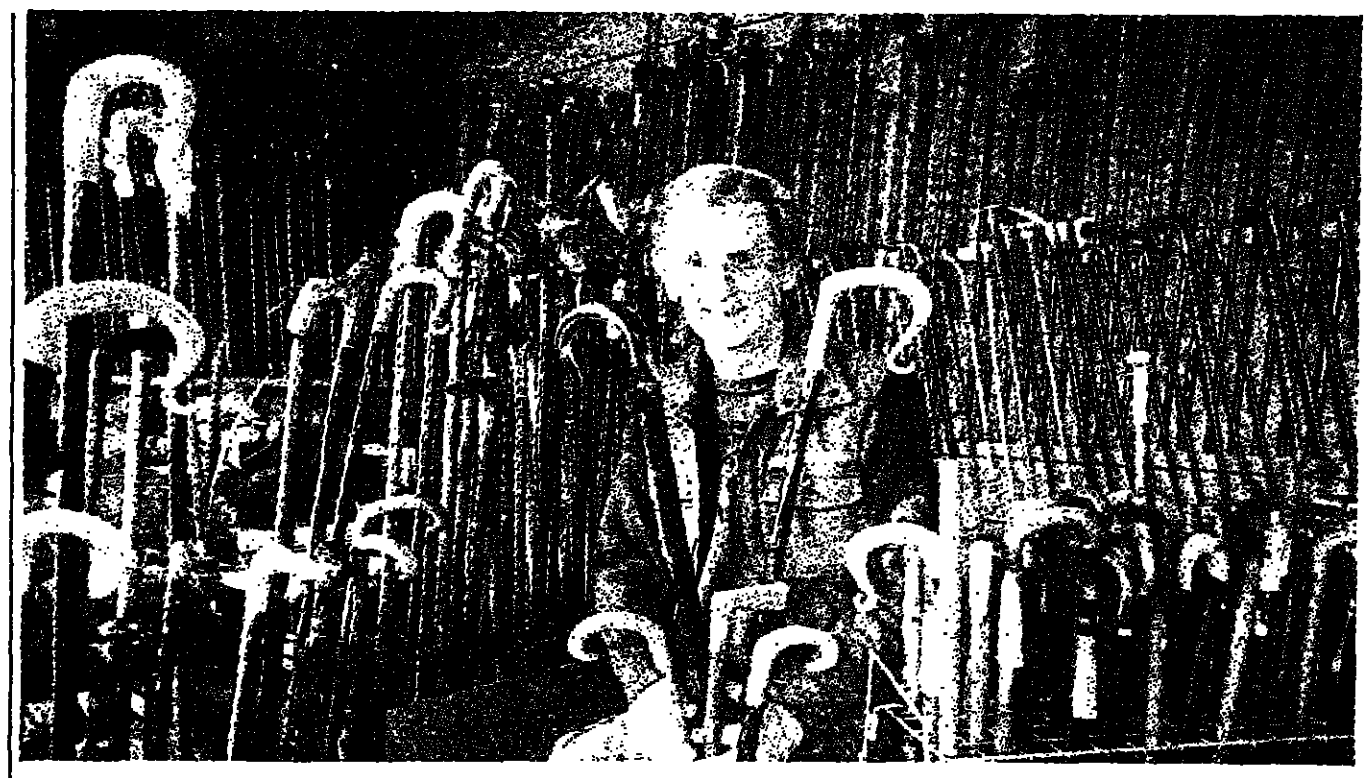
On April 28 an art student, David Cerny, painted it pink. The Soviet embassy complained; Cerny was arrested and charged under the law on "hooliganism" which was used against anybody who annoyed the communists. Apologies were made and the tank repainted for the anniversary.

On May 16, 30 members of parliament painted the tank pink again. There was a most tremendous row. President Havel said it would upset relations with Moscow, Moscow said it had and there was a vote in parliament to withdraw the immunity of the deputies so they could be prosecuted. Every street vendor was selling pink tanks; the supply side response was impressive.

Czechoslovakia is about to fall apart at the seams. But the newspapers have been dominated by the pink tank. Even the normally amusing Jiri Hanak in *Lidove Noviny* was troubled. "I am not going to defend the tank's green colour," he wrote, "nor the tank itself acting as a monument, it is a nasty artefact telling lies about history. But let's concentrate on the main issue: the strange intervention of the painters." Hanak argued that there could be no breach of the law in a democracy. "Eighteen months ago we froze on the squares, jingling our keys and chanting, 'We are different from *them*.' Are we not becoming similar to 'them' now? Is contempt for the law, even an out-of-date law like this, really the best way to be different from 'them?'"

James Morgan

James Morgan is Economics Correspondent of the BBC World Service.



Proselytising bactrophile: Theo Fossel, stickmaker, in his workshop in Beaconsfield

Trevor Humphries

Hobby Horses/Nigel Spivey

A passion for sticks

THEO FOSSEL of Beaconsfield, Buckinghamshire, is generally acknowledged as one of the world's greatest bactrophiles. That is to say, his life's enthusiasm consists of sticks: collecting old sticks, making new sticks, brandishing sticks at anyone who cares to listen to him on the subject.

He has abandoned his former job in air traffic control and spends his time proselytising for sticks around Britain, Europe and the US. The motor car, he says, nearly put the stick out of existence; but the stick is fighting back. He holds courses in stick-making and stick-dressing at Beaconsfield and elsewhere. He has founded a Stickmakers' Guild, produced a video on the craft of stick production, and is working on his second book of sticks.

He makes a good evangelist for sticks; primed in anecdotal learning designed to make you wonder how you lived without one. Tutenkamun had 300 deposited among the treasures of his grave. The Zulus were so devoted to their knobkerries that when the British administration issued an edict prescribing the size of the knobkerry head as to be no bigger than could fit into an owner's mouth, the Zulus slit their mouths to make them bigger.

Kelly's Directory circa 1900 lists more than 30 specialist stick and umbrella suppliers. Trade of canes with China used to run into millions. The renaissance of sticks will never reach those levels, of course, but the past population of sticks does mean that they can be collected with some success, being just the sort of thing you come across at the back of your great-uncle's potting-shed.

Theo's collection runs to over 600 examples from 1631 onwards. There is the stick made of a shark's spine. There is the rummage stick, used by customs men to poke about for contraband; there is the smuggler's stick, hollowed out to carry contraband. There is the stick which flicks out a knife blade, a stick with a torch at one end, and a stick whose head is a golf driver, devised for Scotsmen to surreptitiously swing on the Sabbath.

Many sticks are etched and personalised; many would get you arrested if you carried on the street; but if you became a connoisseur of fine sticks, you would be in good company. Lord Carrington likes a handsome stick; so too the Duke of Edinburgh. Some antiques dealers are wise to the value of sticks: Michael German, in London's Kensington Church Street, is one such.

If I were to compute the number of hours of my boyhood spent whittling at sticks with a penknife, I imagine the total would equate to several days. A stick is therapeutic to make, even if you use it rarely. Having met Theo, I realise that I did not make sticks, but bodge bits of wood. There are many skills involved in collecting the right raw materials and Theo has the trait – shared by many whose hobbies take over their lives – of making you feel that you are being initiated into a conspiracy of expertise. Hence of the pruning clippers you take on stick foraging expeditions: "I use CEKA 5673 Ratchet Cutters . . ." and so on.

It is wise to have much wisdom about wood. National Health sticks are made out of sweet chestnut, and there is even a British Standards number for the NH sweet chestnut stick; but Theo's favourite is blackthorn, whose bark comes up a deep red with varnish, and whose surface is sometimes endowed with totally regular knobs. Blackthorn makes a sturdy walking aid and would be excellent for thrashing a ruffian, if it came to that.

Theo and fellow craftsmen have made sticks for the great and good and claim that there is no limit to what they can do in terms of ingenious handles. The Prince of Wales has a stick whose head reproduces the features of a well-loved dog called Tigger: all he had to do was send a photograph. The Prince has studied anthropology and probably knows about the totemic powers of a stick. Ultimately, we love sticks for a primitive motivation, as symbols of power. Sergeant majors and bishops know about that: and if Theo Fossel has his way, we shall all one day find our own sticks.

■ *Theo Fossel, Stickmaker, can be contacted at 119 Station Road, Beaconsfield, Bucks. HP9 1LG. Tel: 0494-672349.*

TRAVEL

If this is love it must be Crete

In the playground of the gods even the people are indomitable. Jules Cashford returns to a favourite Greek island

"Out in the dark blue sea there lies a land called Crete, a rich and lovely land, washed by the waves on every side . . ."

CRETE, celebrated in Homer's *Odyssey*, was always the Great Island, the largest of any of the Greek islands, and always a land apart: it has the oldest history, the wildest nature, the most indomitable people, as many wars in the last few centuries will testify.

Crete encompasses all the extremes of the Greek experience. Not only do you have the most stunning archaeological sites imaginable but you have the finest beaches, the longest and highest mountain range – and one of the best highways in Greece to hold them all together.

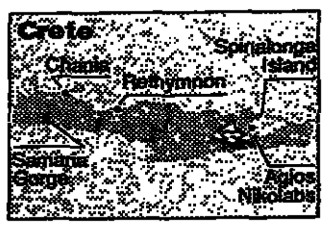
No other mountains have that bewitching shade of pink-and-mauve washing over the rocky peaks, softening even the barest crag. No wonder almost all the Greek goddesses and gods were born in Crete – Demeter, Poseidon, Dionysus, Athena, Artemis and, of course, Zeus, king of them all, once a babe in the Dictaion cave, nursed by a goat and fed honey by bees. (Overheard in the Dictaion cave: Tourist – "But did they actually *believe* the gods were real?" Cretan *guide* – *"Only someone from* the northern races would ask that question").

It all began with the Minoans around 3,000 BC, and the magnificent Bronze Age palace of Knossos (excavated by the archaeologist Sir Arthur Evans, who called the culture "Minoan" after the legendary king Minos) is still there amid the vines, olive trees, cypresses and pines, still resounding with the humming of a million cicadas.

Evans restored the ruins with red-brown pillars of questionable taste, but you can at least now see the frescoes of griffins and dolphins on the walls, the throne room, the hall of the double axes and the bulls' horns of consecration facing the west so the sun sets exactly between them.

Other frescoes found at Knossos are in the museum at Heraklion a couple of miles away. Here is the most joyous and graceful exhibition in the world. You wander from room to room passing urns decorated with flying dolphins, undulating serpents and spiralling flowers, necklaces of bees and butterflies, golden seals, golden bulls, goddesses holding snakes and young gods saluting – all engaged in the dance of life. In Minoan art, one scholar has said, man is never without gesture.

Today, everyone lands in Heraklion, by air or sea, and after a day at Knossos and the museum takes the road eastwards and climbs up to the Lasithi plateau, inhabited as early as the Neolithic. This is a wide flat plain with hundreds of tiny white and whirring windmills – once vital to irrigating the valley, now just blowing in the wind. The Dikte



mountains circle the plain, and the damp and slippery Dictaion cave is a short walk from the village of Psichro close by.

Continuing east, you accelerate past modern Malia (perfect *for teenagers) and cut across to* Agios Nikolaos and Elounda on the Mirabello bay. Ag Nik, as it is popularly known, is one of those towns whose main activity appears to be itself. Everyone looks happy but no-one knows why. There is no beach, no swimming, no space, no silence.

On the other hand, it is a bustling, jostling community of many nations thrown together for a week or two around the harbour front, plying the boats, restaurants, discos, and shopping for all they are *worth. There is a small lake in* the centre of town, lake Voulismeni, with a theatrical rock face behind it and views and retsina on top.

On the road uphill from the bridge by the lake is the easily overlooked but very important archaeological museum, built in 1970 to house all the new finds from east Crete formerly taken to the museum in Heraklion. It is second only to Heraklion's for its Minoan treasures, including the famous early Minoan sculpture of the *Goddess of Myrtos*, eased out of the soil by the *Weekend FT's* own archaeological correspondent, Gerald Cadogan.

Just along the bay from Ag Nik, and in complete contrast to it, is the village of Elounda, where nothing happens. There are three luxury hotels here, each enclosed in its own flowery and shady grounds, which linger down to the sand. The Elounda Beach, Elounda Mare and Astir Palace all have their camp followers, but they are within a few minutes of each other so that you can decide for yourself. The sea is very safe (not always so on the north coast of Crete), since it is protected by the island which faces the shore, Spinalonga, *once* a colony for lepers.

The west of Crete is again a different experience. It is wilder, more rugged, much barer of people than the east, but haunting in its starkness and sudden moments of beauty. The far west is dominated by the White mountains. This seems to be the oldest part of Crete, where the villages are isolated and self-contained, the customs unchanged, and up in *these hills* the preoccupations of beach life become incredible.

On the way to the west, before you reach Rethymnon and Chania, the two towns of the north-west coast, stop at the small resort of Georgioupolis for a fusion of the old and new – the old square marked by towering eucalyptus trees, the old men drinking coffee all day long, goats wandering in and out of things – and walk down to the sea beside a river and a wonderful sandy beach stretching for miles (with a treacherous current whenever a storm is up).

There is one little taverna perched over the rocks where you eat with the spray across *your face*, and *one* hotel, the Gorgona, which stands right on the beach and pounds the sea into your ears at night.

The most exciting of Cretan experiences, and certainly the most challenging, is the 10-mile trek down the Samaria gorge in the west of the island. The gorge is a huge split in the southern half of the White mountains which has created a ravine of wild and rugged beauty between cliffs over 1,000ft high. Pine trees, oaks and cypresses, cascading waterfalls, tumbling streams, wild flowers and the scent of thyme make the descent unforgettable. Eagles and falcons soar over the steep crags and the rare Cretan ibex, a wild mountain goat with vast horns, is sometimes glimpsed.

Initially, there is a path with wooden railings – the so-called wooden staircase – which drops precipitously down many hundreds of feet but then winds more gently until it reaches the valley floor. Still running downhill, the track moves through an increasingly narrow cleft, past a surprising little church, until it meets a blessedly cold rushing stream which has to be crossed a few times as you go between sheer vertical cliffs, at one place only a few feet apart.

Take water with you and do not wear anything less than mountain boots or serious trainers as most of the stones you tread on move. The only danger is lack of stamina – you cannot get out without reaching the end.

The best place to start is at Chania, on the north coast, where you take a 1½-hour bus ride, arriving at the top of the White mountains just south of Omalos. Then you can fortify yourself at the Greek Mountaineers' Association hut until the sun comes up, remembering that the farther you go the hotter it will get.

At the end – between five and seven hours later – as you come out on to the beach at Agia Roumeli on the Libyan sea, all but Austrians and Swiss are supine. You can stay the night here or take one of the frequent boats to Hora Sfakion nearby, from where you can catch the bus back to Chania. This is the second largest town in the island, with echoes of its Venetian past in the architecture round the old harbour, where the ritual promenade along the front is conducted at sunset by old and young alike.

When I first went to Crete I went around by bus, slept in a chicken run, and loved it. Last time I went to Crete I hired a car, stayed at the Elounda Beach Hotel – and still loved it. However you go, wherever you go, I have never met anyone who went to Crete and did not love it.

Classical touch: a street in Heraklion reflects Crete's rich history

GUIDE BOOKS TO SET YOU RIGHT

YOU NEED a guide book when you holiday in Greece, and there are plenty to choose from. The trick is to buy the right one – the one that appreciates your own interests, answers your own questions. No point in buying the guide that is exhaustive on Minoan archaeology if you are *more interested in* topless island beaches or Athens' gay clubs.

The long, slim **Green Michelin** *is the standard for* the traditional model: you need to bear in mind that it is admirably terse to the point where it is not entirely comprehensive. The **Blue Guide** is old-fashioned and thorough and strong on classical sites.

The **Companion Guides** take two volumes, one for the mainland and one for the islands, with reissues of classics dating back more than 20 years, but they are *very good in the tradition of* this civilised imprint: literate, elegant, though deliberately thin on travel advice. The **Cadogan Guide** *has a useful* mix of practical and general.

The **Collins Independent Travellers Guide** also has two separate volumes but falls between stools and is not detailed enough.

This is certainly not the weakness of the bright and breezy **GROC's Candid Guides** which have a whole raft of Greek titles, including an interesting **Guide to Unspoiled Greek Islands** (20 of them).

My own choice, however, is none of these. For a successful combination of readability and utility, look *out for either the* **Holiday Which? Guide** or **The Rough Guide**.

J D F Jones

Travel News

Cruising off Scotland

I AM SURE I am not the only person who, looking at the jagged shape of the west coast of Scotland on the map, instinctively starts imagining sailing up the sea lochs, along the sounds between the islands and the mainland, and dropping anchor in limpid bays under the shadow of great mountains.

A yachtsman can do the real thing quite easily. The occasional large cruise ship calls by. But almost all that other people could do, until recently, was take the *increasingly* unromantic Caledonian MacBrayne ferries along their ordained routes to the Hebrides.

That was until Tony Binns, a Yorkshireman who used to operate boats on the English canals, had the clever idea of creating a cruise ship specifically designed for the west coast of Scotland. He bought the *MV Columba*, a former MacBrayne's ship which used *to carry 600* passengers between Oban and Mull and had her converted into a small liner, taking 46 people in luxury.

The *Hebridean Princess*, as she is now called, sails every Thursday evening from Oban. After anchoring for the night up Loch Linnhe she might sail up the Sound of Mull, dropping her passengers off to visit a castle or the town of Tobermory before finding a remote anchorage for the night. Next day she would sail round Ardnamurchan Point, past the islands of Rhum and Eigg, and up the Sound of Sleat beside Skye, and so on.

Most of the distances are not large and the pace is leisurely. The day may begin with an hour or two of sailing around breakfast time, followed by a shore visit with a return for lunch. Then more sailing in the afternoon and another trip ashore. She does not usually sail at night.

As the ship was built for the Hebrides she has a very shallow draft (but stabilisers), and her new owners have kept part of the old car deck. This gives room for her tenders, launches and rowing boats – and, a touch which must be almost unique among cruise ships, enables passengers to bring their own cars. Passengers can take the small boats out on their own.

Trim grey-bearded officers, late of the merchant navy, direct operations from a traditional 1960s bridge. Below there is a large lounge (with a somewhat incongruous brick fireplace), a dining room and a tiny library. The staterooms and cabins are comfortable with rather unnautical swags above the beds.

Although each cruise has its itinerary the programme is flexible. If the *Hebridean Princess* is passing Staffa on one of the relatively few days of the year when it is possible to land there to see Fingal's Cave, she stops. Equally, bad weather may mean tying up in harbour and finding an alternative excursion.

Cruises start from Oban and passengers are collected from Glasgow airport or railway station. The cost of a week's cruise with cabin and bath is between £1,450 and £2,450; cabins with showers cost less.

■ *Details from Hebridean Island Cruises, Acorn Park, Keighley Road, Skipton, North Yorkshire BD23 2UE, tel: 0756-701338. Small children are not allowed.*

James Buxton

Travellers' tales

WHEN Cecilia Nevill rode alone to Tibet on a bicycle she carried firecrackers to frighten packs of wolves. Chinese road workers on the freezing, high-altitude desert told her that sticks of dynamite would be more effective.

On his solitary ride across South America on horseback, James Greenwood entertained his two steeds with rock music via his Walkman and tiny speakers.

Such were the grand travellers' tales recounted at the independent travellers' seminar hosted by the expedition advisory centre of the Royal Geographical Society last weekend. Three hundred would-be travellers, aged 16 to 85, were taken across abandoned mountain railway lines in Bosnia by *mountain bike*, jolted across Africa and ascended the Himalayas heights with mountaineer *David Hamilton*.

During lunch, firm-jawed young men lit fires in the society's garden by rubbing sycamore and willow sticks together. Indoors, equipment companies and travel consultants sold water filtration pumps and mosquito nets, and advised on remote parts of the world. Dr Richard Dawood warned the faint-hearted that cholera vaccinations were "absolutely useless."

But it was not all grand adventure: journalist Catherine Treasure pointed out how few women's names were on the lists of society medallists, while publisher Hilary Bradt asked just what the traveller brought to local cultures.

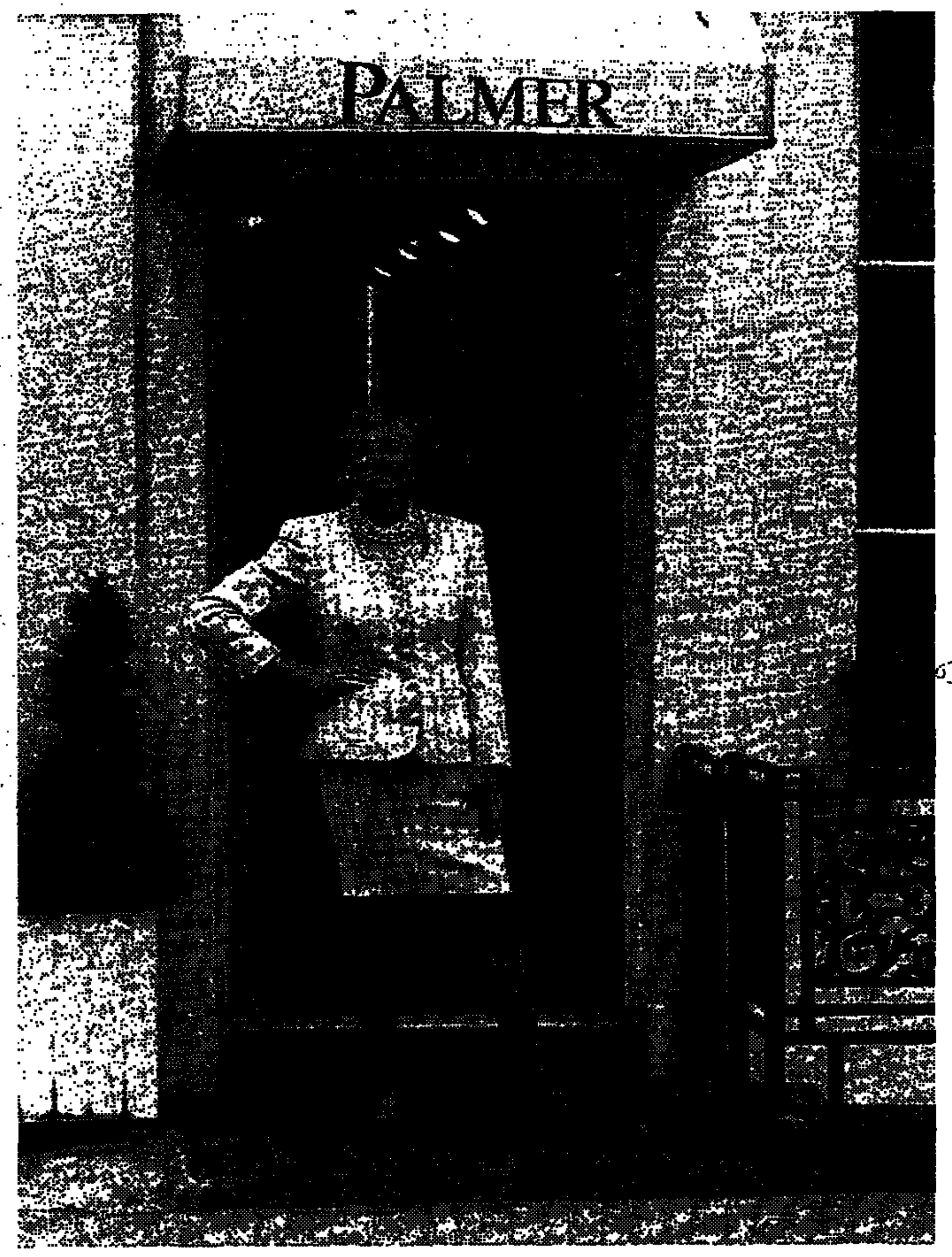
Few other occasions provide so much inspiration, advice, coffee and biscuits for £30.

Simon Vail

*The Season is on us — but what to wear and where to find it? **Lucia van der Post** finds the specialists who dress the smartest ladies in town*

Where to find a walk-in wardrobe

OH, what a whirl the British summer season is. There is Glyndebourne to be visited, Ascot to be graced, there are weddings, and polo — Cirencester is so much chicer than Smith's Lawn, don't you think? There are the British summer tribal rites — the 21sts and anniversaries, the lunches in marquees, dances in barns and tea-parties on lawns. All require a proper wardrobe to match. For some, this is a serious business which starts in January with visits to milliners and stores, dressmakers and cobblers. But some of the best-dressed women in town do it another way — they have found a specialist shop run by somebody whose taste and style they trust and to whom they turn whenever struck by that feeling that they "haven't a thing to wear." These shops are usually small and reflect the highly personal taste of the person who runs it, who skilfully edits the current looks to suit the customer. They are rewarded by a coterie of devoted fans who go back time and time again. Here are just a few . . .



Lady Havers outside Palmer wearing a pink and white checked wool suit by Rena Lange, £942

Lady Havers in a Moschino black and white viscose suit, £739

LAURA B

Ewa Lewis is Social Editor of *Tatler* magazine and quite apart from the fact that with a house in London, another in the country, two children and a husband, she leads a very busy private life, her job requires a certain sort of wardrobe as well.

Ewa is a devoted fan of Laura B, with whom she keeps in regular touch and to whom she turns whenever her wardrobe needs updating, or the call for a new outfit becomes too strong to resist.

Laura B seems more like a club — without the membership fee — than a shop. Run by Laura Benjamin, it is on the first floor of a charming small house in Chelsea's Walton Street. There Laura Benjamin has a small collection of the sort of smart, glamorous, sassy clothes she knows her clientele will love.

These are mainly clothes for big occasions — for weddings and Ascot, for parties and going out. Mostly they reflect her own personal taste and she is her own best advertisement. She is good at finding less expensive versions of the season's main trends — this season, for instance, there is a shocking pink braided suit with glitzy buttons, curvy jackets and short snappy skirts in strong colours, an Audrey Hepburn-style simple shift dress, as well as flattering evening trousers and little flirty pleated skirts. Jackets start at £275, skirts at £85.

Ewa Lewis discovered Laura B when she met her at a party (Laura B goes to LOTS of parties). "At that time," says Ewa, "Laura had a line of clothes she sold at her own flat by appointment only. The first time I went there I found just one dress — a navy blue one with tiny dots and long pleats — and I found that I wore it and wore it. In fact I'm still wearing it.

"The next time I went I didn't find anything at all but it didn't matter — Laura has this talent for welcoming you back like a friend. You felt almost as if you were rummaging in her wardrobe and the selling of the clothes was accidental. She runs Laura B in much the same way except that you can go any time you want.

"However, it is still like visiting a private house — you press the doorbell, are let into what seems like a charming sitting-room with magazines and antiques and you are offered coffee or a glass of white wine.

"It is like going to see a friend. You don't feel pressurised — you might think you would, but you don't. I feel less pressurised there than I do in most of the smart shops. That's her talent. And you trust her because she tells you if it doesn't suit you, and if an £80 blouse suits you better than a £180 blouse she will tell you that, too.

"Every season I go and look there first because once I went after I'd bought everything I needed and I was heartbroken — she had everything I had wanted but her things were all nicer than the ones I'd already bought.

"Sometimes Laura will ring and say 'I've got a real cracker for you.' She knows what suits me and the point is that there is no obligation to buy.

"Her clothes are very well-tailored. They all sit very well on the shoulder and on the hip. I buy all my jackets from her. This season I've bought more than ever before as I felt in need of some retail therapy. I've bought four suits, a navy blue and white spotted linen day dress and a very sassy cocktail dress.

"I could go through my whole working life with what I already have in my wardrobe but I'm fascinated by clothes, they are a great joy. I do not really *need* four suits but each one gives me great pleasure. And Laura's prices are very good. She seems to have this knack of tracking down people in France and Italy who are good at giving the current look without charging the earth for it.

"I usually buy my evening dresses from Caroline Butler (69 Prince of Wales Mansions, 071-622-6468) or from Murray Arbeid. For hats, which I wear all the time because I've got such fine hair, I go to Herbert Johnson. There's a lovely lady there called Sylvia who is just like Laura in that she will never sell you something that doesn't suit you. I trust her."

■ Laura B, 25b Walton Street, London SW3.

Dan Stevens

Ewa Lewis in one of Laura B's black and white uncrushable linen suits. Jacket, £275, skirt £85. White straw hat by Herbert Johnson

PALMER

LIKE most successful small shops with a strong personal handwriting, Palmer is lovingly tended by its owner, Hanna Palmer. Most of its clothes reflect her own expert eye and flawless taste. It, too, has a club-like feel. Many of her customers seem to know each other but even those who don't seem to feel a bond, a sense of kinship, and are drawn together in a restrained, upper-class way by their mutual reliance on Hanna's guidance.

The newcomer to Palmer immediately senses that here is somebody who knows what she is doing. The shop is small and compact but conceals a very skilfully edited version of the current season's looks.

Do not, however, suppose that good taste is the same as dull taste. Palmer has a wild, pure silk Moschino shirt with a "necklace" of over-sized green and white artificial flowers. Then there is a Moschino black evening jacket embellished with sequinned motifs of guitars and triangles — wonderful, if, at £1,800, out of the question for most of us. Moschino is one of Palmer's favourite designers but there is also Rena Lange, a German designer with an Armani-like sense of casual elegance and a sophisticated colour palette. Neither of these, of course are cheap. Lange suits tends to be about £1,000 though there is also MaxMara at about £400.

Lady Havers, wife of Lord (Michael) Havers and mother of Nigel, is a loyal customer. "I discovered Palmer by chance, ten or eleven years ago," she told me. "I had parked my car near by and I happened to need some new clothes so I wandered in and there was Hanna with a huge smile and a great welcome.

"Hanna has this amazing ability to pick out something that will work for me. I don't believe in buying for special events. I tend to come in at the beginning of the season and pick out things that I know will work with what I've already got.

"Hanna is wonderful at helping to give new life to things already in the wardrobe, to freshen up a look. For instance, I had a cream button-through cotton skirt that I'd worn for years and Hanna showed me a Dolce e Gabbana fine cream silk sweater which looks wonderful with it.

"I find that the great thing about buying good-quality garments is that they do last for years. I never throw anything away. I'm a great hoarder. Sometimes things get pensioned off for a while and then get brought out again. I take great care of my clothes. I put plastic wraps over all the hangers and wrap sweaters and shawls in zipped plastic bags. What I love is that there isn't too much to choose from (I hate those shops where there is so much that you are just bewildered) and that she can always produce the jewellery, the belt, the hat that brings the outfit to life.

"I buy very carefully and give it great thought. Clothes have to work for me and fit into my life. I don't impulse buy at all except for shawls which I have a weakness for."

■ Palmer, 4a Motcomb Street, London SW1X 8 JU.

CiBi

CiBi is a small, glitzy shop in Knightsbridge's select Beauchamp Place, unashamedly exuberant among the restrained good taste all around. Here the Bradbury family — mother Chrissi and daughters Gina and Julia — have collected a group of devoted customers who frequently become friends — not only of the Bradburys but of each other. All day long they drift in and out, trying on clothes, matching up colours and swatches, chatting about parties — last week's, this week's, next week's.

They tend to come by word of mouth, from friends of friends, or from the stands they always take at the Burleigh horse trials where they make quite a splash among the muted Barbours and sober tweeds.

Customers tend to be the sort with well-known national names attached to them - Farley (estate agents), Budge (transport), Vyner (cutlery) and the like. Then there is Gill Thomas, a well-known horse owner, who is a devoted fan and is "either in my breeches in the middle of a field or glammed up to the hilt for a cocktail party at Blenheim Palace." They also dress Gill Thomas's dog (this is the kind of customer they get).

Gill is a particular fan of their leather-ware. "Horses can slobber on it and it just wipes clean. My most useful garment is a suede jacket with a quilted gold front with silk tassles. I love *all* their suede jackets and buy far too many of them. I've just bought a bright yellow outfit to match my new Ferrari. As you can see I'm not a subtle person. I tend to buy flashy things because when you're tired they lift you up."

Averil Glatman discovered CiBi in Sheffield and now she turns to Chrissi for most of the event clothes that her busy social life requires.

"I know I could ring her from Timbuktu (and one day I *will*) and say 'I want a ball-gown for Friday week' and when I get back it would be ready."

CiBi, as you may have gathered, is a shop with a strong personality — you will either like everything in the shop or nothing. There is a ready-to-wear collection designed by Chrissi but CiBi will customise any of the garments. They know what their customers want and what they want, it seems, is glitz, fun and pizzazz, frills and flounces.

Nothing is too much trouble. You want *that* blouse with *these* sleeves? Of course. You'd like a bigger flounce here and a different button there? That's just fine. And no extra charge.

Prices are high (between £800 and £1,000 for a dress or suit) but then materials are of the best — suede from Wales and silks from the same factory that Versace and other couturiers use — and they will alter or make it in your size for the same price.

Some of their most popular styles, like the Polly suede jacket, are never taken out of the range. "If ever sales are low," says Julia, "we put this jacket in the window and — whoops! — up they go."

Averil Glatman probably sums up the appeal of the shop best when she says: "Buying anywhere else is so impersonal. Chrissi and her daughters are my friends. They care about me, not just my cheque."

■ CiBi, 49 Beauchamp Place, Knightsbridge, London SW3 and 772 Ecclesball Road, Sheffield S11 8TB.

Hats for the summer ahead

NO SERIOUS dresser would contemplate the summer season without a proper *chapeau*, or two or three. Indeed, there is a view that it is the tribal rites of the British upper-classes which have kept our couture milliners so spectacularly inventive through the years.

The latest international wonder-boy is Philip Treacy, first spotted by clever Victor Edelstein three years ago when he was still at college, recruited to do the hats for Marc Bohan's first collection for Hartnell in January when just out of college, and now a sought-after hatter with a London studio all his own.

Philip Treacy's hats have a special quality of light-heartedness. He has managed to show that hats can break new ground and still be charming.

"Being modern doesn't have to mean space-age. I think it is always possible to make the past newer." The design photographed above, for instance, is, he says, "about the charm of how a child would wear bows in her hair. I like very light, fluid lines which are often very flattering.

"The most important thing of all is to make the customer feel comfortable so that they wear the hat and the hat isn't wearing them. The stronger the hat, the more they should be worn with a certain throwaway insouciance, rather as if it were a beret. Hats, after all, shouldn't be taken too seriously, they are meant to be entertaining."

***He likes to go for a strong* silhouette ("the more directional millinery is quite stark at the moment") and believes that less fuss is important — "fewer roses, tulle and net."**

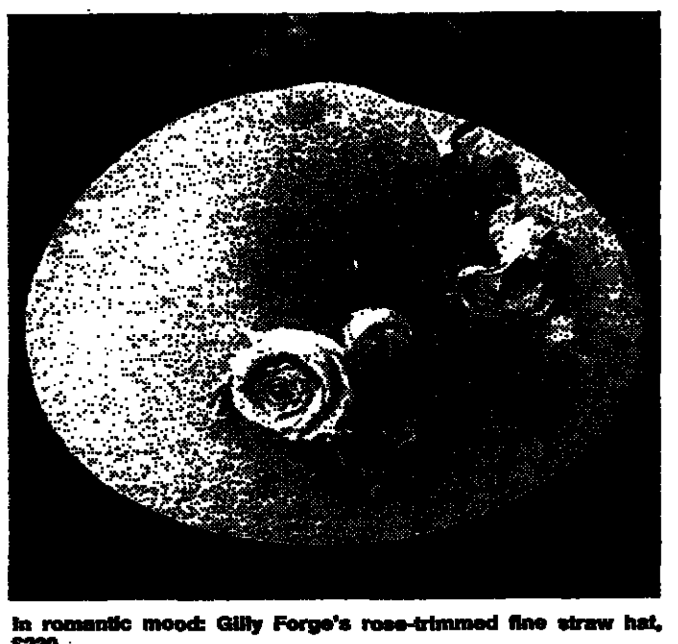
He has his own studio at 67, Elizabeth Street, London *SW1*(Tel: 071-259-9605) but is available by appointment only. However, Harrods of Knightsbridge, London SW1, Fortnum & Mason of Piccadilly, London W1, Hartnell, 26 Bruton Street, London W1 and Harvey Nichols, Knightsbridge, London SW1 all have a good selection.

Prices start at £90 and go on up to £600 for the most exclusive and singular designs.

Gilly Forge can also be consulted for those who want an exclusive made-to-measure *numero* for a special occasion. Though she is perhaps best-known for her flower-strewn straws she also has a stronger, more graphic line in bright colours and stripes for those who want something a little less rampantly romantic.

Her studio is at 14 Addison Avenue, London W11 (Tel: 071-603-3833) but Fortnum & Mason and Lucienne Phillips of Knightsbridge, London SW1 both carry some of her hats. Prices range from £85 to £250.

L v d P



In romantic mood: Gilly Forge's rose-trimmed fine straw hat, £220

Spectacular cotton organdie by Philip Treacy for Marc Bohan's collection at Hartnell

PROPERTY

The very top flat of all

***John Brennan** tours a development that exhausts even an estate agent's superlatives*

THE INESCAPABLE question is: who would want to pay £13.5m for a central London flat? Who, indeed, would want to pay £6.25m, or £4.5m, or any of the other multi-million pound price tags on the 20 flats that make up the single most expensive apartment block in Europe?

The answer, according to David Goldstone, is: more people than you would think: many hundreds more when you add those of the capital's homeowners who occupy seven-figure properties to the usual checklists of the internationally wealthy with a base in London. Goldstone, chairman and chief executive of Regalian Properties, needs only 20 from that list to make up the first set of 99-year leaseholders of 3a "Palace Green", Kensington Palace Gardens.

For a few weeks last year he thought that he wouldn't need even that many buyers. A provisional offer from Japan for more than £100m for the complete block got as far as the lawyers. Another approach may – or may not – have been from one of the "front" companies that have been sighted around town acting as the cash launderettes for drug barons – of the Miami Vice rather than the ICI variety. However, that approach did not develop to the point at which Regalian could do more than speculate on the funds' provenance.

At least the gossip columnists can be pleased that these and other sole purchase offers did not proceed. Regalian's approach to the sale now is to invite the world's wealthy to a strictly limited series of parties. He wants to introduce them to a property that he believes makes equivalent urban multi-millionaire palaces, such as New York's Trump Tower, look comparatively tacky.

Superlatives are tricky beasts. Start too high and you end up like a tenor who has picked up the soprano's score, desperately squeaking towards an anti-climax. So "the best" is as useless a term as "unique". They are implausible, albeit surprisingly common terms on the shelves of descriptions used to give a word-picture of profoundly expensive properties.

The problem with the Palace Green is that all the ingredients of the mix come undiluted from the superlatives shelf. From the outset, and from the land up, the costs have been stratospheric. Regalian out-bid around 40 other developers for the site, paying £21.5m for a 99-year lease on just two thirds of an acre of Crown Estate land, a former kitchen garden off the mansion row of Kensington Palace Gardens. No one has paid that much for a sliver of residential development land outside Tokyo.

That bid, or rather David Goldstone's rationale for it, set the tone for the entire development. As he explains, whichever way he looked at the numbers, the prices that were being talked about for the site just did not add up.


Look but don't touch: these are the most expensive flats in London

The conceptual breakthrough, and the justification for a price keen enough to put Regalian close to the top of the bidders' list, came by ignoring existing proposals for a block of 40 averagely expensive flats and recalculating instead on the basis of half the number of hyper-expensive homes. It was the bid plus that alternative approach that won the Crown Estate's vote, not a weight-of-cash argument alone.

A swiftly resolved planning query about the block's scale and its occupants' ability to overlook Prince Charles' Kensington Palace home provided invaluable publicity. Even today, Palace Green's promotional material lays on the property's regal associations thick and strong.

That they would also be a near neighbour of the electronics-draped Romanian and Israeli embassies, as well as a number of unprepossessing mid-1960s and 70s-designed buildings does not receive the same degree of attention. That, says Goldstone, is part of life in the centre of a capital city. "People are used to living in areas with buildings of different standards. What we set out to do is to achieve standards that have never been achieved before within the envelope of the site that we have."

Certainly, from the moment a new owner is recognised by the gatehouse guards and drives into the scheme, it is another world.

Like or loath the external appearance of the block itself, no one can argue with the quality of the materials used, or the standard of the work. In recent years new developments aimed at buyers in the seven figure-plus price ranges have competed more on grounds of quality than price. Yet it still is commonplace to find interior decorators' finery being used to mask the rough edges of a building contractor's work.

Indeed, that is so commonplace that it can appear positively churlish to remark on the odd door hinge that isn't put on straight. And it is easy enough to accept the occasional stretch of joinery that does not quite joint, the cornices that have a tiny bit of trouble making it around the room without a hiccup here and there.

At the risk of a superlative or two, and at the price of another London residential record – a building cost approaching £400 per sq ft – Palace Green has been developed on the assumption that these minor blemishes can be avoided. As a result, the finish is exceptional.

That raised another fundamental question; why bother? Why double the cost to have kitchen sink splashbacks made of complete sections of matched marble or spectacular blue granite when a good bit of tiling would have been equally splash-proof? Why use hand-made door furniture and apply craftsmen joinery to blend mahogany and maple and sycamore in the balance of doors and frames and cupboards when any wood can take a coat of paint, and a judicious runaround with filler covers a multitude of sins? Why use hand-matched stones on the drive when any stretch of un-pockmarked tarmac in London is enough to draw an admiring crowd?

The answers stem back to the thinking behind the scheme as a whole. "We have been creating homes of a quality that people would normally create for themselves," explains Goldstone. For "people" in this context read "exceedingly wealthy people", because he has in mind those buyers who pay several millions for a flat or house and then take a further year, a substantial part of the sale price again, getting it they way they want it.

It is the fundamental difference between a speculative development and a built-to-order home that Goldstone has set out to bridge. "Speculative developers assume that the eventual owner will want to fit out himself and they build with that in mind. Here, we've taken the strain of that away, we're doing the work for him."

The aim has been to achieve that built-to-order standard inside the frame of a profoundly secure prime location block, with the kind of in-house service you would be used to if you're usual London stopover is a suite at the Savoy or Browns – but with better individual room-variable air conditioning.

Those who are invited in to take a look at the building have scope to take the ideas, or to adopt the design teams responsible for three completed show-flats. There is a classical English look from Richard Gibbs and Steven Hill, or the more guest-impressing international work of the Germans Rolf Kienemann and Marienne Stehr-Kesting.

As for the top of the block, David Hicks applied the style to the 4,305 interior sq ft and over 1,000 sq ft of terracing and roof space in the three-deck, £13.5m Penthouse Number 20. Whoever does end up giving their guests a tour around the glassed "winter garden" ninth floor of that penthouse can rest assured that they have the top priced, top flat in the capital.

Surrey and Sussex

That certain sense of style

Michael Hanson reports on county homes with a wealth of heritage

PEOPLE WITH money have been buying houses in Surrey for hundreds of years. What is it about the Surrey style of architecture and landscaping that makes it so desirable? After all, it is no closer to London than Kent, Essex or Hertfordshire. Yet, as architectural historian Roderick Gradidge says: "Surrey probably now has more houses of the highest quality in the vernacular manner than any other county in Britain."

Unfortunately, it also has probably fewer unaltered buildings than most counties, for Surrey people have always been rich enough to restore or rebuild their houses, and they have sometimes done so unsuitably.

In his informative new book *The Surrey Style* (£15.95 plus £2 p&p from the Surrey Historic Buildings Trust, County Hall, Kingston-upon-Thames, KT1 2DN), Gradidge describes the vernacular style and explains how – and how not – to alter or add to an old building.

The Surrey style can be summarised as using warm red bricks and roof tiles, occasionally with timber-framing but more often tile-hung, and always with gabled roofs and tall brick chimneys. Such houses should be altered in such a way that it is difficult to tell what is original.

The most important creators of the Surrey style were the architect Sir Edwin Lutyens (1869-1944) and the garden designer Gertrude Jekyll (1843-1932), who between them created so many Surrey houses and gardens.

The trouble is that Surrey still has so many fine Victorian and Edwardian houses in the vernacular style that the authorities are reluctant to list them. One such is Grenehurst Park, at Capel, built in 1852 for Thomas Lambert, and notable for its fine brickwork, panelling and staircase. It later passed through various hands before being bought by Richard Branson, of the Virgin group. He never lived there, but he improved the planning permission before selling the property to Cala Homes, which converted the Victorian mansion into 18 flats and built 12 new houses in the 14 acres of landscaped grounds. The last two-bed apartment is for sale at £139,950 and the two remaining spacious five-bedroom houses are £320,000 and £329,950 (tel: 0306-713480 for site sales office).

Surrey style is also a fitting description for six new houses being built by Lovell Homes at Charlotte Park, Oxshott. Designed by David Parker, a young architect at High Wycombe, these acknowledge their debt to Lutyens and are some of the most spacious and well-equipped I have seen.

The four-bedroom show house of 4,060 sq ft has already been reserved at £795,000, and the two largest five-bedroom houses of 4,6782 sq ft are under offer at prices up to £895,000 before they have been built. Savills (tel: 0483-576551) are joint agents with Roy James Fancy (tel: 0372-468636).

Many of the best Victorian houses in Surrey are now too large for single-family occupation, which is why one of architect Norman Shaw's houses, the Grade II listed Hopedene House at Holmbury St, Mary was converted into three houses some years ago. The largest of these, having seven bedrooms and an oak-panelled reception room, is for sale through Savills (tel: 0483-576551) with four acres of landscaped gardens.

Hamptons has several vernacular houses for sale through its Guildford office (tel: 0483-572864), including the Causey, a Grade II listed house at Cranleigh, with an acre of garden incorrectly attributed to Gertrude Jekyll (whose only two gardens in Cranleigh were at houses called Knowle and Oaklands), for which the price is £545,000.

However, Gertrude Jekyll did design the gardens of Camilla Lacey, at West Humble, near Dorking, in 1901. This seven-bedroom house is for sale at £850,000 with three acres of gardens. Camilla Lacey is a stone-built house, which appears to go against the Surrey vernacular style, though there are other stone-built or stuccoed houses in Surrey, such as Polesden Lacey, which shows that one should not be blinkered when it comes to architectural style.

WEST SUSSEX now ranks fifth, and East Sussex seventh in the Halifax House Price Index's league table of highest-priced counties, writes John Brennan, and the depth of the cross-county differential is reflected in respective price averages of £90,500 and £79,900.

Strip out the commuter coastal strips and the price gap widens further, emphasising the fact that better communications leave West Sussex homes looking to Surrey for price comparisons, while the rail and road-starved East looks more towards the cheaper properties of Kent.

You can spot this in agency descriptions of country properties. A home in West Sussex gets billed as such. If it lies in the East you can be fairly sure that it gets tagged as "Sussex" alone. The buyers' art, self-evidently, is to balance better value in the East against better communications in the West.

There are bargains to be had after a 10 to 15 per cent drop in the achieved selling prices of larger homes over the past year and some eccentric price movements among smaller, cheaper properties.

Mortgage rates and a higher than the national average rate of job losses determine buying interest down-market, while recession and sale of country retreats bought as second homes has brought a glut of picturesque village houses up for sale. Add the slump in agricultural returns to the mix, providing any Sussex farm fancier with scope to take their pick of the market, and both sides of the county offer unparallelled choice at what look to be bottom-of-the-cycle prices.

TRAVEL

Cold Turkey, hot massage

***Nicholas Woodsworth** searches for warmth after an uncomfortable stay in the old part of Istanbul*

I HAVE taken a room in Sultanahmet, in the old part of Istanbul. It is not much of a room – a narrow bed, two metal-framed chairs, a worn rug on the floor. It is noisy. Across the hall a broken toilet cistern gushes away day and night. From the depths of the lift-shaft, where the cage sits in eternal rest at the third floor, floats a high-pitched radio wail of Turkish music, but from my window I can gaze out on to a different Istanbul – one which, from the towers of the luxury hotels across the Golden Horn, is invisible.

On the other side of a narrow street, where children kick balls and bellowing Turks sell sliced cucumber from barrows, is an old building. Now a worker's tenement, it was once an Ottoman law court. Even in the grey light of early evening in April it glows a rich sienna colour. Despite the falling plaster work, the weeds that grow in its eave-troughs and the pigeons that, cooing, nest in the open lattice-work under its roof, it remains a piece of oriental splendour.

There are cracked marble arches, worn Arabic inscriptions over stone-cased entrance-ways, broken upstairs balconies sculpted in designs of geometrical intricacy. Most beautiful of all, the building is decorated with faience tile-work of turquoise and cobalt frises, as rich and lustrous as the day it was fired.

Solid and thick-walled, this is a building worthy of an empire that once stretched from the palaces of Morocco to the gates of Vienna. And like much of Istanbul, it has since become shabby and mysterious. This is a city of dark corners where the past skulks, brooding over its losses.

Much as I like to sit on my bed and gaze at the ruins of long-dead sultans, by 7pm on this particular evening I can do so no longer – the room is freezing. Winter stays late in Istanbul and the start of the tourist season is still more than a month away. The hotel manager tells me it is not worth turning the heat on for just one guest. Through the broken panes of the old law court windows I can see bundled workers crouching over paraffin stoves cooking their dinners; even they look less cold than I.

In the spice bazaar by the Galata bridge I have seen perfume merchants selling, among 100 other fragrances, a warm and exotic-smelling concoction called Istanbul Nights. If I walk through the real Istanbul I doubt that night will evoke quite the same romance as the perfume, but at least it might be warming.

It isn't.

Outside, the air is opaque grey, a sharp, cold soup of mist, car exhaust and smoke from the sulphurous brown coal with which the city heats its homes. It wraps everything, mosques, minarets, domes and bazaars, in a thin pall, making this secretive city more secretive still. Agatha Christie and Graham Greene did not have to bring mystery to Istanbul. It is at home here, sitting at the end of every dim alley.

On Divan Yolu, the street that runs through the old city towards Sancta Sophia and the great Blue Mosque, I walk past the detritus of 3,000 years of history: blackened byzantine columns, sunken hippodromes, the weathered tombs of Ottoman dignitaries. None, at the moment, appeal; I am looking for somewhere warm. Just past the Atik Ali Pasha mosque, I see lights shining from the window of a circular, domed building, and a sign marked "Nargile Salonu." Surely a Turkish smoking salon will be warm?

It is warm, but the fug of smoke inside is twice as thick as that outside. Seated in a circle of 40 silent, intently smoking Turks, I am brought a glass water-pipe with a long hose-like stem and brass mouthpiece. Tea is served in small, waisted glasses and a glowing coal is placed on the plug of tobacco at the top of my pipe.

I begin to puff, making glug-glugging sounds as smoke bubbles up through the water in the bowl. It adds to the glug-glugging of 40 other pipes. But instead of sinking into a nicotine reverie like my companions, my head swims and my eyes stream. After 15 minutes I can stand it no longer. I stagger through thick clouds of smoke to the doorway, and flee.

In the maze of narrow streets behind Kapali Çarşi, the vast covered market which is frantic in daytime but now locked and deserted, I become wholly lost and a little bit frightened. There are no street lights. I wander along, pulled forward by occasional dim bulbs glowing in the distance.

I make my way over greasy cobbles, splash through potholes, trip over piles of refuse where cats crouch and eat. There is little sign of life. Only rarely is there the sound of footsteps. Now and then, solitary walkers loom out of the darkness, pass by, and disappear.

The street takes a sudden plunge downhill, and I follow. Somewhere in the gloom below, ships are feeling their way southwards from the Black Sea. Down by the waterfront, where Europe faces Asia across the narrow Bosphorus, I am sure I will find life and a little warmth.

Some way down the hill, more lights appear. Suddenly there are sweet stalls, small eating places where the odour of charred lamb wafts out into the street, cigarette-fogged tea houses where men sit playing endless backgammon. But I am feeling colder than ever. What attracts me, once again, is a sign. It reads Sifa Hammami. If the Turkish smoking salon did not work out, surely a Turkish bath will.

Inside, the atmosphere is thick and obscuring. This is a world of steam, not nargile smoke. Draped in a towel, I am led through cool rooms, warm rooms, and into the heart of the baths where warm vapour drifts in a large, marble-lined chamber.

There are half-a-dozen men in here. Some are washing at carved stone floor-basins in little alcoves that lead off the main chamber. One is doing some complicated Turkish calisthenics. Others sit and sweat. I am shown to a raised marble dais, heated from underneath and hot to the touch. I lie down and poach for 20 minutes.

About to fall asleep, I am clapped on the shoulder by a man with vast moustaches and an even vaster belly. He may look like a professional wrestler, but this is Muhammed, the bath's masseur. Nonetheless, there is a good deal of the wrestler in him.

He is a man who does not understand the meaning of the word "gently" in any language I can summon. Does he even know it in Turkish? He merely growls in response to my protest, and single-mindedly proceeds to work me over on the marble slab. My limbs are forced into new and unlikely positions. Knee-caps are rotated past their natural limits. For the first time, under some kilos of pressure, I hear my rib-cage.

Muhammed enjoys all parts of his work, but seems to have a special interest in joints and how far they can bend. After a while I give up protesting. By the time he puts on a special glove appearing to be made of sandpaper, and begins stripping upper layers of skin from me, I am quietly praying for it to end.

When it is finally over, I pass up the tea and divan-lounging that customarily follow a Turkish steam bath. I am afraid Muhammed will dream up some new misery for me. Dressing and making for the door, I escape into the Istanbul night once again, aching from head to foot. But at last I am warm.

On the waterfront: Istanbul wears its air of mystery and history like a cloak

TRAVEL INFORMATION

Istanbul is not always a cold grey city, writes **Nicholas Woodsworth.** Only three hours' flight from London, it is close enough to make an exotic weekend get-away throughout the year, but is at its most agreeable from May to September. Daily flights from London with Turkish Airways vary from £200 to £350 return.

The city offers a wide range of accommodation. International hotels include the Istanbul Sheraton (tel: 131-2121) and the Istanbul Hilton (tel: 131-4650). Perhaps the most romantic hotel in the city, and Agatha Christie's favourite, is the Perla Palace Hotel (tel: 151-4560) where double rooms start at $135. The city's best small luxury hotel, only a stone's throw from Sancta Sophia and the Blue Mosque, is Yesil Ev (tel: 528-6764).

A number of London-based companies specialise in travel to Turkey. One that will organise tailor-made holidays is Turkish Delight (tel: 081-891-5901), which arranged my trip. This company also offers winter breaks for £199 (three nights, flights and transfers included); cruises along the Turkish coast from £379 a week, and a luxury 15-day steam train trip across Turkey for £1,085.

■ Nicholas Woodsworth flew to Istanbul c/o Swissair, tel: 071-439-4144.

COUNTRY PROPERTY

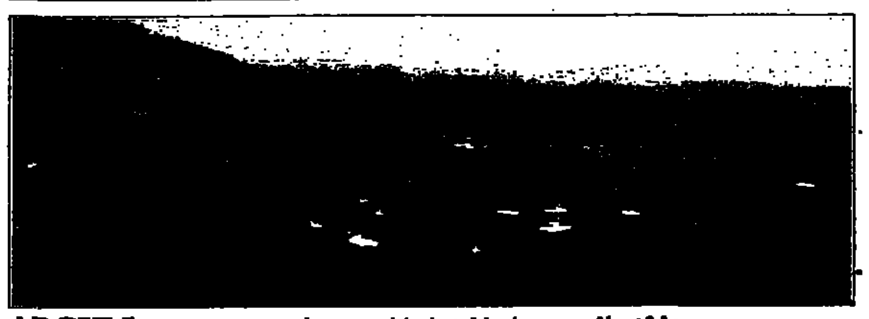
SAVILLS

By Order of
The SECRETARY of State for DEFENCE

SUFFOLK
Nr. Woodbridge
The Bawdsey Manor Estate
Woodbridge 10 miles, Ipswich 24 miles

A prestigious Country Mansion with mature parkland superbly positioned on the heritage coastline with stunning views over the River Deben.
13 Cottages and Sailing Club, offices, outbuildings, farm buildings and recreational facilities, formal gardens, quay.

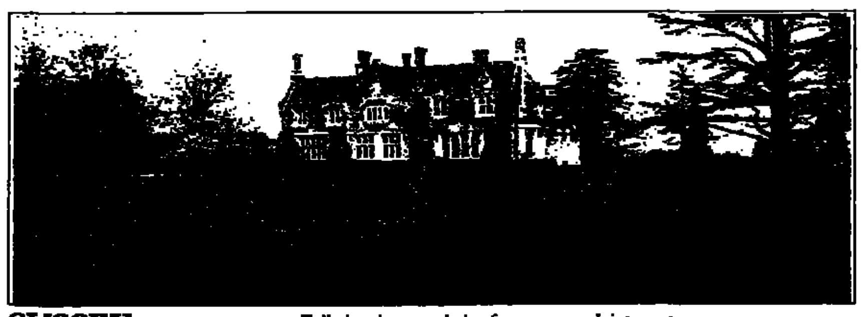
An excellent opportunity for a variety of residential, leisure and commercial uses.
About 150 Acres
For Sale as a whole.
Savills, Ipswich. (0473) 226191.
Contact: Peter Start or Simon Cartmell.



ARGYLL
HARBOUR ISLAND
Crinan
On the instructions of Sir Ivar Colquhoun of Luss
Glasgow Airport 85 miles, Crinan ½ mile

A very special private island famed for its wild flowers.
Single storey house with drawing room, kitchen, 3 bedrooms and bathroom. *Boathouse and slipway.* Mains electricity, water and telephone.

About 9 Acres.
Excess of £140,000.
Savills, Edinburgh. 031-226 6961.



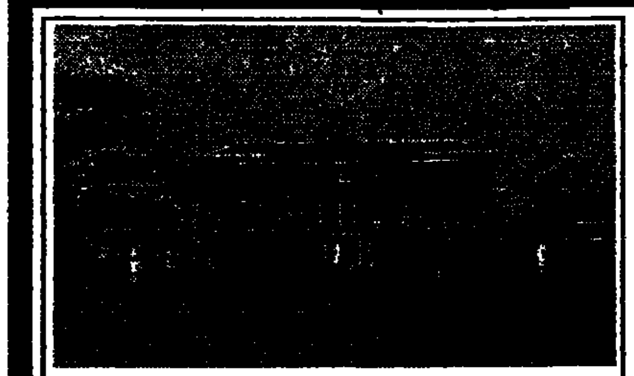
SUSSEX
Frankham Manor
Tunbridge Wells 6 miles, M25 24 miles
One of the most attractive Golf and Country House hotel development opportunities in the Home Counties.

Full planning permission for 25 bedroom hotel use and extension and 18-hole golf course situated in beautiful park setting.
About 193 Acres.
For Sale by Private Treaty.

Joint agents:
Property Services Consultancy, Crowborough. (0892) 655186
Savills, London. 071-499 8644.
Savills, Banbury. (0295) 263535.

COMMERCIAL, AGRICULTURAL AND RESIDENTIAL SURVEYORS

Lane Fox



NOTTINGHAMSHIRE/YORKSHIRE BORDERS
Doncaster 10½ Miles, A1 1½ Miles, London 80 Miles
AN OUTSTANDING GRADE I LISTED GEORGIAN MANSION
In need of modernisation, with superb rural views.
Extensive Accommodation on four floors
Approximately 20,000 sq ft
Attractive Gardens
ABOUT 11 ACRES
FOR SALE BY AUCTION ON JULY 4th 1991
GUIDE PRICE £250,000
Joint Agents: Jackson-Stops & Staff 0904 625033 & Lane Fox 071-499 4785

Head Office: 15 Half Moon St, London W1

D. M. HALL

RENFREWSHIRE - Howood
Glasgow 15 miles *Howood ½ mile*
A FINE COUNTRY HOUSE SURROUNDED BY ATTRACTIVE WOODED GARDENS AND WITHIN 20 MINUTES DRIVE OF GLASGOW
LOT 1
5 Reception Rooms, 7 Bedrooms, 3 Bathrooms and 3 further Attic Rooms. Walled Garden, lawns and wooded policies. Useful outbuildings
LOT 2
Magnificent stable block suitable for conversion subject to planning consent
ABOUT 4.6 acres

031-220 2323
COUNTRY DEPARTMENT

BIDWELLS
CHARTERED SURVEYORS

SUFFOLK – Thurston
Bury St Edmunds 5 miles, Cambridge and Ipswich 30 miles, Stansted Airport 45 mins
A beautifully situated Georgian Country House with Gatelodge
Hall, 4 Reception Rooms, 8 Bedrooms, 4 Bathrooms (3 ensuite)
Former Coach House with garaging, delightful grounds including Walled Rose Garden, Woodland and Paddocks
About 7.5 acres
Contact Jock Lloyd-Jones

0223 841842

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9,600 ACRES

A spectacular Highland estate renowned for its quality of sport and beauty.

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STALKER'S COTTAGE
30 STAG DEER FOREST
SUPERB TROUT FISHING

45 Church Street, Inverness IV1 1DR. Tel (0463) 224343.
Solicitors: Macandrew and Jenkins, Inverness.

PIKE, SMITH & KEMP
22 Queen Street
Maidenhead, Berkshire
SL6 1HZ
0628 21577

COOKHAM DEAN
A substantial Edwardian Country House in a unique elevated position with marvellous panoramic views over the Thames Valley.
Quietly located, yet offering excellent access to London, Heathrow and the M4, M40 and M25 motorways. (Maidenhead 4 mls, Marlow 2 mls) Principal suite of bedroom and bathroom. 5 further bedrooms. Family bathroom. Cloakroom. Drawing room. Dining Room. Study. Conservatory. Kitchen.
Additional staff/relative accommodation
2 Bedrooms, Bathroom, Sitting Room. Kitchen. Ample garaging. Swimming pool. Tennis Court. Grounds of about 4.5 acres.
A rare opportunity to purchase a property in need of modernisation in this marvellous location.
Offers in excess of £800,000 for the Freehold.

HURLEY
A charming period cottage in this delightful rural yet convenient location. Easy access to motorways. (M'head 3 miles, Henley on Thames 4 miles). 3 bedrooms. Bathroom. Drawing room. Dining room. Kitchen. Full Central Heating. Garaging.
Delightful gardens of approximately 2.2 acres offering marvellous views over the adjoining countryside.
Price £249,500 Freehold.

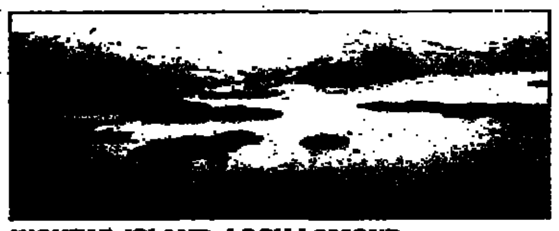
Bettison & Co.

Estate Agents, Surveyors and Valuers
Specialising in coastal and country properties in South Devon, East Cornwall and Plymouth

RIVER YEALM NOSS MAYO
A detached 3 bedroomed house enjoying panoramic views over the estuary to Newton Ferrers.
It has been the subject of considerable expenditure to provide an individual home standing in landscaped gardens with garage, parking and p.c. to extend.
Offers invited on £230,000 Freehold

NEWTON FERRERS
A detached house with quay and slipway enjoying delightful river views in 1/2 acre approx of gardens. Two reception rooms, cloakroom, kitchen, four bedrooms, bathroom, verandah, garage, etc.
Offers invited on £325,000
Please send for extensive property list
14 Fore Street, Yealmpton PL8 2JN
Tel No 0752 880100 Fax 881522

STRUTT & PARKER

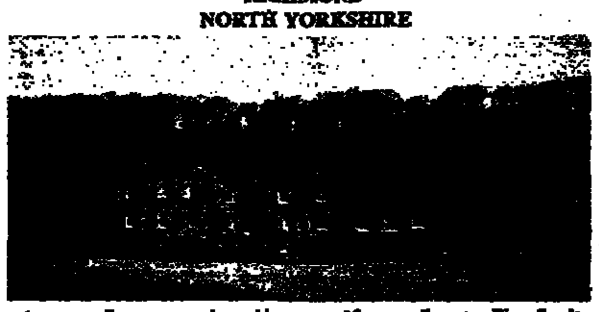


INCHFAD ISLAND, LOCH LOMOND
Glasgow (Airport) 24 miles, Drymen 4 miles, Balmaha 0.5 mile. A most beautiful island in Scotland's most famous Loch. Inchfad house: sitting room, 4 bedrooms, bathroom. Inchfad cottage: sitting room, living room, 2 bedrooms, bathroom. Potential for 9 hole golf course. Range of traditional outbuildings. 2 private jetties. Mains electricity, central heating, telephone. Pasture, paddocks and woodland. About 120 acres. For sale by Private Treaty.
Edinburgh Office: Tel. 031-226 2500. Ref.2884099.

13 HILL STREET BERKELEY SQUARE LONDON W1X 8DL 071-629 7282

Lowther Scott-Harden
Chartered Surveyors

THE BOATHOUSE
BACKHOUSE INGS
RICHMOND
NORTH YORKSHIRE



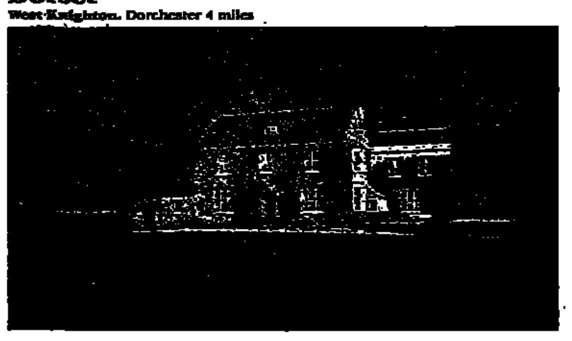
An outstanding property situated in approx. 10 acres adjacent to River Swale. (Richmond ¼ mile : Darlington 10 miles). Four Reception Rooms; 4 Bedrooms; Two Bathrooms. Freehold for Sale with Vacant Possession on completion.

Lowther Scott-Harden
Moorland Estate Office,
Croft, Darlington, Co. Durham DL2 2SJ
Tel: 0325 720976 Fax: 0325 721249
Members of FIMBRA

GLOUCESTERSHIRE / WILTSHIRE BORDER
Swindon 17 miles, Cirencester 10 miles, Tetbury 3 miles. Stone farmhouse in quiet rural situation. Large rooms with period features. 4 beds, 3 baths, 4 Recep, Lge Kit, F G C H. Large south facing Gdn. Grazing. Stables possible. Furnished or unfurnished.
£330 per week. Tel 0666 824725 or Fax 0666 823025

Humberts

Dorset
West Knighton. Dorchester 4 miles



A spacious south facing country house with lovely views
4 reception rooms, 7 bedrooms, 5 bathrooms, kitchen/breakfast room
• Oil central heating • Garaging for 5 cars • Outbuildings
• 7 stables • Walled garden, grounds and paddocks
For Sale Freehold with about 9½ acres
Details: Blandford (0258) 452343 01/95485/SJT

Gloucestershire **46 acres**
Shipton Moyne. Westonbirt 2 miles, Tetbury 2½ miles, Malmesbury 3 miles

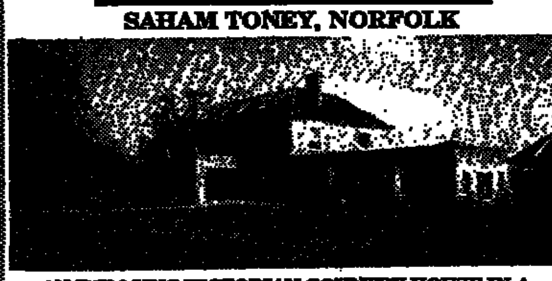
A listed early 19th Century country house in an outstandingly peaceful rural setting
The house having 3 reception rooms, 5 bedrooms, 3 secondary bedrooms, 3 bathrooms, kitchen, domestic offices and extensive attic space
• Detached cottage and two 3 bed cottages • Extensive range of outbuildings and farm buildings including garaging, stabling and barns • Pastureland and paddocks
For sale by Private Treaty as a whole or in 4 lots
Details: Tetbury Office (0666) 502284 or London

LONDON OFFICE · 071-629 6700
HUMBERTS · CHARTERED SURVEYORS
25 GROSVENOR STREET · LONDON W1X 9FE
RESIDENTIAL · COMMERCIAL · AGRICULTURAL · LEISURE

AMERSHAM
Located in village nr by with excellent communications. A charming, detached family house in Sussex farmhouse style. 4 receps, 5 beds, 2 bath, dble gge, swim pool, tennis court in 1 acre with development potential.
O.I.R. £575,000. No agents
Tel: 0494 762024

William H. Brown

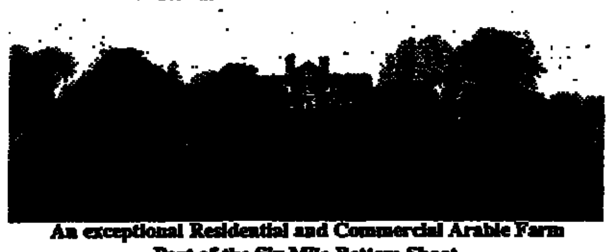
SAHAM TONEY, NORFOLK



AN IMPOSING VICTORIAN COUNTRY HOUSE IN A PARKLAND SETTIG WITH FULL SOUTHERLY ASPECT OFFERING SPACIOUS ACCOMMODATION.
6 Reception Rooms, 12 Bedrooms, 11 Bathrooms, Conservatory, Usual Domestic Offices.
Stables, Garaging and Workshops, Extensive Indoor Swimming Pool Complex.
Paddocks, Gardens and Grounds including a Lake.
IN ALL ABOUT 17.5 ACRES
Contact: 9 High Street, Watton, Norfolk IP25 6AP.
Tel: (0953) 881951

CLUTTONS

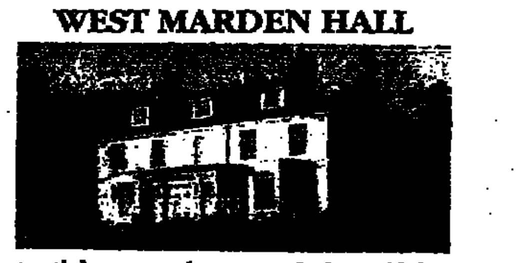
CAMBRIDGESHIRE
Newmarket 8 miles. M11 10 miles.



An exceptional Residential and Commercial Arable Farm
Part of the Six Mile Bottom Shoot.
Fine Grade 11 farmhouse with 4/7 bedrooms. 2 cottages.
Grain store for 1,200 tons. Grade 2 farmland.
In all about 622 Acres
For Sale as a Whole
Joint Agents:
CLUTTONS, LONDON OFFICE: 071-408 1010
ROBINSON & HALL, BEDFORD OFFICE: (0234) 352201
Farm and Estate Sales:
45 Berkeley Square, London W1X 5DB

SMITHS GORE

Chichester 10 miles Petersfield 9½ miles
WEST SUSSEX
WEST MARDEN HALL



A substantial country house set in beautiful gardens and wooded grounds, in a commanding position above West Marden on the South Downs
Comprising 4 reception, 7 bedrooms, large staff flat
Garaging for 4 cars. 3.5 acre paddock
A pair of semi-detached cottages
ABOUT 25 ACRES
APPLY: PETWORTH OFFICE Tel 0798 42502

CLUTTONS

OXFORDSHIRE
Oxford 16 miles. Swindon 16 miles. Didcot 16 miles. London 70 miles.
A compact residential farm ideal for conversion to stud or similar equestrian use (subject to usual consents)
Spacious period stone farmhouse in need of renovation. Fine stone barn with consent for residential conversion. Stone cottage. Range of outbuildings suitable for stabling. In all about 183 Acres of free draining land.
For sale by Private Treaty or as a whole or in 6 Lots.
23 Beaumont Street, Oxford OX1 2NP
Tel: (0865) 240511

SUSSEX & SURREY

The jewel in the crown

Magnificent fully furnished Japanese style garden apartment at an unrepeatable price

With our award winning scheme at The Watergardens now virtually sold we are proud to announce the long awaited release of the finest apartment of them all.

Within the quiet seclusion of the Coombe Hill Estate overlooking six acres of idyllic Japanese Watergardens this beautifully appointed designer show apartment is a dream come true.

Originally valued around £700,000 this superb three bedroom show apartment is now on offer for just £535,000 complete with all its stylish fixtures and fittings and two private underground car parking spaces.

To view this bargain of the year call in any day between 11.00am-5.00pm at The Watergardens, Coombe Hill, off Warren Road, Kingston, Surrey.

Telephone 081-547 3998 for further details.

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WEIR HOUSE HURST ROAD EAST MOLESEY SURREY TEL: 081-941 4131

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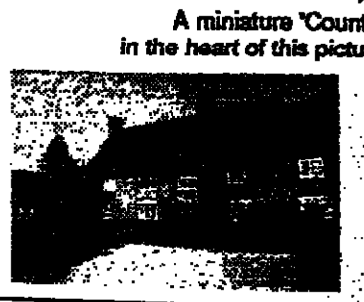
ANGMERING VILLAGE, WEST SUSSEX
A miniature 'Country Estate'
in the heart of this picturesque village.



A fine period farmhouse, staff cottage, large thatched barn, workshop and stables. Secluded walled gardens with swimming pool, large paddock.
About 2 acres in all.
PRICES £575,000 FREEHOLD.
Tel: 0903 774239

SURREY
Hockering Estate Woking
Superb Modern 5 bed detached house, 4 recps, 3 baths, 27 ft kitchen, new tennis ct, Sauna suite, Dble gge, all in excellent condition, on 1 acre plot. Must complete by 31 May, hence bargain at £399,000.
Tel: 0483 765464.

SURREY, SHACKLEFORD, NEAR GUILDFORD
Beautiful village house in conservation area. Listed early Georgian. 4 beds, 4 receptions, 2 baths, 2 acres, walled garden, grass tennis court, small barn. Easy access to A3, Airports, good train service to London (Waterloo 42 mins). Offers around £500,000.
Ring 0483 810257

COUNTRY PROPERTY

Knight Frank & Rutley INTERNATIONAL

·AUSTRALIA·BELGIUM·BOTSWANA·FRANCE·
·GERMANY·HONG KONG·INDONESIA·JAPAN·MALAYSIA·

·NEW ZEALAND·NIGERIA·SINGAPORE·SPAIN·
·SWEDEN·UNITED STATES OF AMERICA·ZIMBABWE·

West Sussex
Shoreham-By-Sea 1 mile. Brighton 5 miles. London 57 miles.

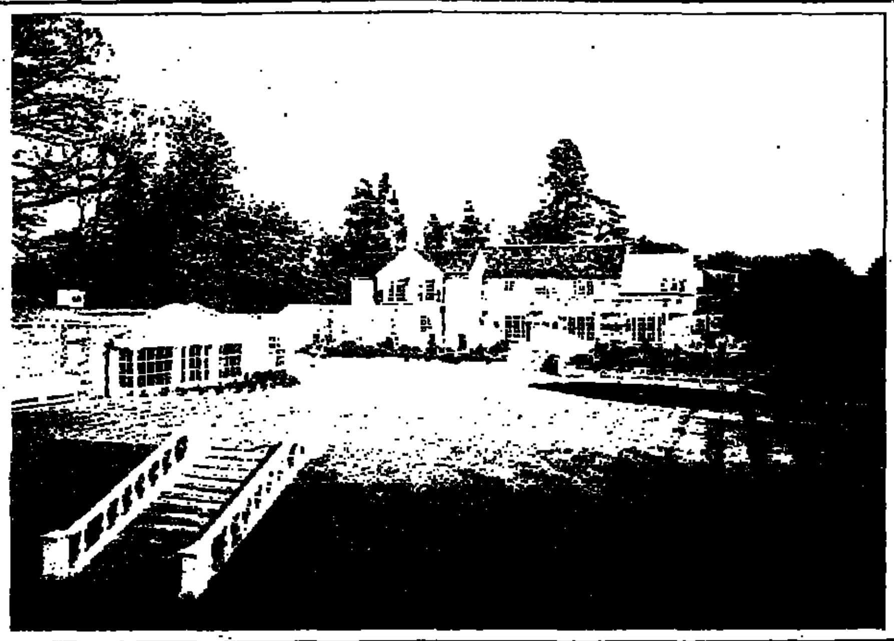
A fine commercial arable downland farm
Fully modernised principal farmhouse in immaculate condition with 3 reception rooms, 5 bedrooms, 2 bathrooms.
Two semi-detached cottages.
Excellent range of modern farm buildings.
Grain storage for 1,000 tonnes. Stock buildings.

About 857 acres
As a whole
Apply: London 071-629 8171
(RAME/105354)

Kent
Sevenoaks 4½ miles. M25 3½ miles.

The highest quality sporting estate within 18 miles of Central London
Immaculate principal house with 7 bedrooms.
Every conceivable luxury including indoor and outdoor swimming pools, squash court, tennis court.
Guest house. Farm manager's house. *Staff cottage. Lake.*
Delightful gardens and grounds.
Superb stock farm with model farm buildings.
Manege and stables.
Exceptional high bird pheasant and partridge shoot. Trout fishing.

About 464 acres
As a whole
Apply: Tunbridge Wells (0892) 515035 or London 071-629 8171
(RAME/106904)



Surrey
Puttenham 2 miles. Guildford 6 miles. London 35 miles.

A magnificent manor house standing at the centre of its own secluded estate
Reception hall, 4 reception rooms, master bedroom suite, 6 further bedrooms and 3 bathrooms.
Secondary house, 2 cottages, Oast house, outbuildings, 5 loose boxes. Tennis court.
Attractive gardens and grounds with paddocks and woodland. Excellent views.

About 100 acres
As a whole or in 4 lots.
Apply: Guildford (0483) 65171 or London 071-629 8171

Cambridgeshire
Newmarket 5 miles. A11/M11 5 miles. London 60 miles.

A charming Elizabethan house with adjoining stud farm
Hall, 3 reception rooms, 4 bedrooms, 3 bathrooms. Gardens, stabling and garages.
About 8 acres
Stud farm with 2 cottages, flat, 47 loose boxes, barns and paddocks.
About 57 acres

About 65 acres
As a whole or in 3 lots
Apply: Christopher Stephenson International (0635) 528585 in association with Knight Frank & Rutley.
(GWC/RAME/9001/219)

Staffordshire
Lichfield 1 mile.
Birmingham City Centre 14 miles.

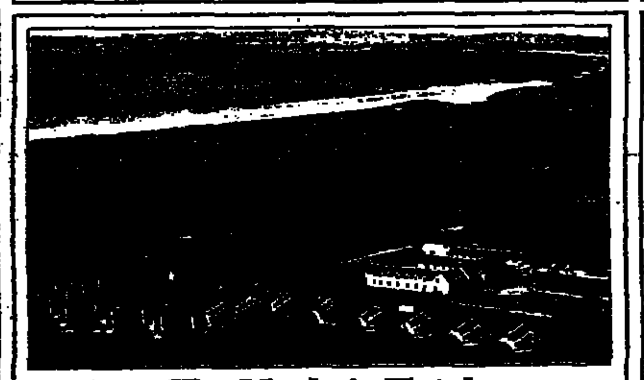
A fine Edwardian residence with good equestrian facilities
5 reception rooms, 7 bedrooms, 6 bathrooms and 7 secondary bedrooms. Staff flat. About 11,800 sq ft net.
3 cottages and 2 stable flats. Stableyard and 34 loose boxes. Landscaped gardens with 3 small lakes. Paddocks.
Planning consent for 96 bedroom hotel. Potential for residential training centre, nursing home or school.

About 63 acres
As a whole or in 2 lots
Apply: London 071-629 8171
(PLG/106548)

East Sussex
Polegate 3 miles. Eastbourne 5 miles. London 69 miles.

A charming manor and stud farm in the South Downs
Hall, 3 reception rooms, 6 bedrooms, 2 bathrooms, 2 staff flats.
Beautifully maintained gardens.
Cottage, period barns, indoor school, up to 45 loose boxes.
Paddocks and woodlands.

About 108 acres
Apply: Christopher Stephenson International (0635) 528585 in association with Knight Frank & Rutley.
(GWC/9102/268)



The Machrie Hotel and Golf Course, Isle of Islay

A beautifully located 22 bedroom hotel and complex of 15 cottages with its own world renowned 18 hole links golf course founded in 1891
The hotel and golf course are in a spectacular location beside a long sandy beach with the island's airport about a mile away.
Great potential for expansion of golfing and other facilities.
Joint Agents: Mactaggart & Co., Largs (0475) 674646
Knight Frank & Rutley, Edinburgh 031-225 7105 (CSS/03957)

Spain Costa del Sol

LOS GRANADOS
MARBELLA

Next to Puerto Banus, luxurious 1-4 bedroom apartments and penthouses.
All ground floor and penthouse apartments have private swimming pools.
CH/Air conditioning, full fitted Siematic kitchens. Elevators to all floors. Garages. Storerooms.
Sports club with gym, heated swimming pool, tennis courts and restaurant.
First phase under construction and available this Summer. Prices from £250,000-£850,000

Apply: Guadalmina (952) 782904 or London 071-629 8171

Buckinghamshire
Langley 1 mile. Windsor 5 miles. London 20 miles.

A Grade II listed Queen Anne house in a lovely walled garden
Hall, 3 reception rooms, conservatory.
Master bedroom suite, 6 further bedrooms, 2 further bathrooms.
Gas fired central heating.
Beautifully maintained gardens. Covered heated swimming pool.
Lodge and coach house. Paddock.

About 3½ acres
Apply: Beaconsfield (0494) 675368 or London 071-629 8171
(RS/DMTV/106114)

Aberdeenshire
Alford 4 miles. Aberdeen Airport 28 miles.

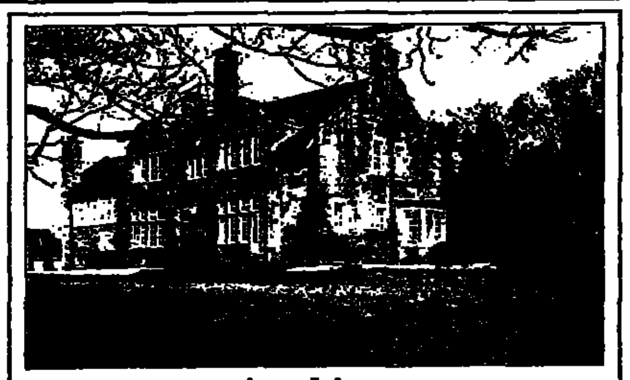
An enchanting 16th century Tower house of considerable architectural importance in a rural setting
Dining room, great hall, laird's room, vaulted kitchen.
Master bedroom suite with bedroom, bedroom/dressing room, bathroom.
2 further bedrooms and bathroom with wooden bath.
Sheltered garden with lawn and trees.

About 4 acres
Apply: Edinburgh 031-225 7105
(WNJ/04031)

Renfrewshire
Glasgow 12 miles. Edinburgh 50 miles.

An historic house with magnificent views set in a private garden within easy reach of Glasgow
Drawing room, panelled library, dining room, kitchen with Aga, 7 bedrooms and 3 bathrooms.
Possible granny flat.
Stable block with loose boxes. Four car garaging.
Beautiful gardens with heathers and rare shrubs. Extensive lawned area.

About 2 acres
Apply: Edinburgh 031-225 7105
(WNJ/04032)



Ayrshire
Stewarton ½ mile. Ayr 16 miles. Glasgow 20 miles.

A fine Victorian house on the edge of a village, with a clear views to the Isle of Arran
3 reception rooms, panelled hall, master bedroom suite, 5 further bedrooms, 2 further bathrooms.
Garaging and kennels.
Well laid out terraced gardens and wooded grounds.
Kitchen garden and hard tennis court.
Paddock with development potential. Outbuildings.

About 4 acres
As a whole or in lots
Apply: Edinburgh 031-225 7105
(WNJ/03997)

Berkshire
Midgham. Reading 8 miles. Newbury 9 miles. M4 (J12) 4 miles.

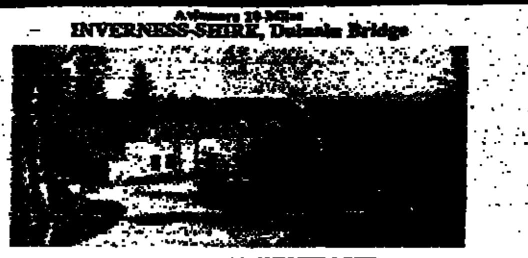
A delightful country house in a walled garden
Hall, 2 reception rooms, cloakroom, 3 bedrooms, dressing room, 2 bathrooms.
Calor gas central heating.
Outbuilding.
Walled garden.

About ¾ acre
Apply: Hungerford (0488) 682726
(CDS/107052)

20 Hanover Square, London W1R 0AH Telephone: 071-629 8171

BRODIES

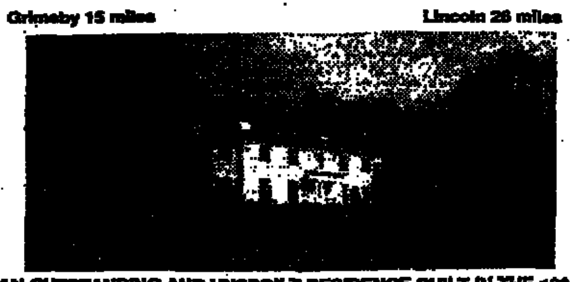
INVERNESS-SHIRE, Dalnain Bridge



A SUPERB COUNTRY HOUSE WITH MAGNIFICENT VIEWS OVER THE SPEY VALLEY TO THE CAIRNGORMS
Listed Grade B of Architectural and Historic Interest.
In first class condition throughout. 3 Reception Rooms, 6 Bedrooms, 3 Bathrooms, Luxury Kitchen. Excellent garaging and outbuildings.
Good Lodge Cottage. Beautiful Grounds of about 3 acres.
OFFERS OVER £350,000

LINCOLNSHIRE THE CEDARS, LOUTH

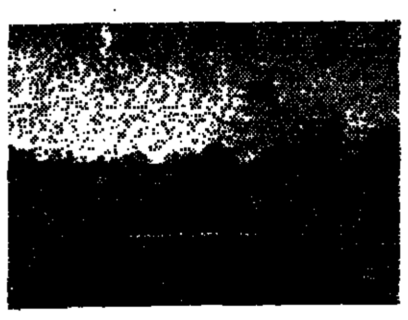
Grimsby 15 miles Lincoln 26 miles



AN OUTSTANDING AND UNSPOILT RESIDENCE BUILT IN THE 1820s SITUATED ON THE OUTSKIRTS OF A SMALL COUNTRY TOWN WITH PRIVATE AND SECLUDED GROUNDS, ADJOINING THE RIVER LUD.
AMOUNTING TO 3.9 ACRES
Freehold with Vacant Possession
Full details from the Sole Agents:-
Jas. Martin & Co.,
8 Bank Street, Lincoln. LN2 1DS Tel: (0522) 510234

FISHER HOGGARTH

RIVER CHESS BUCKINGHAMSHIRE



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Sharp clubs for young blades

***Rebecca Pike** reports on the new inner circles for London's upwardly-mobile professionals*

WOULD YOU want to join a club that would have you as a member? Playwright Harold Pinter would. Television producer Janet Street-Porter and journalist Jeffrey Bernard would. And if membership figures are anything to go by, thousands of people world-wide would, and are card-carrying affiliates of the members' clubs that have sprung up in London over the past few years.

Members' clubs. The very words are dusty, conjuring up images of dark-panelled rooms full of squat, monocled men of advanced years. But there are some radical alternatives to the traditional gentlemens' club, catering for professionals who do not have to have spent a lifetime in the civil service.

These clubs have grown up partly because of the demand for an alternative to the impersonal, crowded and sometimes rowdy pubs of central London. According to Tchaik Chassey, the architect who designed the interior of The Groucho Club, Fred's in Soho and the recently-opened Jazz Cafe in Camden Town, people go to members' clubs to "see friends, have chance encounters and to get to know people they don't yet know."

Some clubs are licenced to stay open until 2am – useful in a city where pubs close at 11pm, restaurants stop serving at midnight and nightclubs are overpriced, noisy and crowded. Like the traditional clubs, they also offer the chance to meet people in the similar professions and with the same interests.

Joining is another matter. Not only do most clubs require that aspiring members be proposed and seconded by existing members, but anyone who joins must be "right" for the club – some will not consider anyone unless they have made a name for themselves in their particular profession. Members are also required to pay an annual membership fee, which varies from club to club but is usually about £200.

Perhaps the best-known members' club is The Groucho Club on Dean Street in Soho. A poseur's paradise, it is known for its glittering members, of whom Jeremy Irons, Bernardo Bertolucci and comedian Lenny Henry are but a few.

"People in Grouchos are livelier than in the traditional clubs," says Chassey, one of the founder members. "Of course you might get Jeffrey Bernard nodding off in the corner or some bishop asleep on the sofa, but generally it's a much more exciting atmosphere."

Grouchos was the first members' club to establish itself as an acceptable alternative to more traditional gentlemens' clubs such as The Reform and The Carlton. Both sexes were welcome from its foundation in May 1985 and it has two women on its board of directors – Liz Calder, director of the Bloomsbury publishing house, and Carmen Callil, managing director of publisher Chatto and Windus.

Tony Mackintosh, managing director of the Groucho Club and one of its founders, says: "We wanted to create a contemporary club that offered the facilities and services that traditional clubs have always offered – to both men and women."

The club offers short stay bedrooms for foreign businessmen, three restaurants and three rooms for conferences and more intimate meals. The bar though, is the club's raison d'etre, and it is here that you will find self-proclaimed eccentrics lounging on leather Chesterfields or perched on metallic black chairs.

For the less self-consciously exclusive, The Colony Room Club next door is delightfully intimate – hardly larger than a snooker table, in fact. It has an equally colourful collection of occupants, ranging from art students, poets and vicars to lawyers and ex-pop stars.

Muriel Belcher, the society hostess, founded the club in 1948 and offered the painter, Francis Bacon, £10 a week to bring in big-spending friends and attract an entertaining crowd. Now it is run by Ian Board, who worked for Belcher until her death seven years ago. He sits by the door every night and exchanges expletives with anyone who enters, swinging between extraordinary rudeness to irresistible charm.

"This place is absolutely unique", he says in one of his less abusive moments. "Although you have to be proposed for membership by two existing members, it is more a case of my having a raw feel about who will fit in here. There's no waiting list. Either you are or you aren't."

The club has a colourful history – Lucian Freud rubbed shoulders here with impoverished poets, and Tennessee Williams exchanged niceties with hereditary peers. However, it is under threat from developers, who want to turn the building into offices. Michael Heath, the cartoonist, laments the disappearance of such clubs. "They're a dying art", he says. "This is the only place left to go."

It may be the only place left for genuine Bohemians, but another small club in Covent Garden caters for "private pleasures" according to its owner, Alfredo Fernandini. Two Brydges Place was created nine years ago because of what the founders, Fernandini and Rod Lane, saw as the need for a small, sensible place in town.

It is described by Graham Ball, a club promoter and organiser of a weekly members' lunch at Ormond's restaurant in St James Square, as "a members' club in the old traditional sense. It is the epitome of what a good club should be."

Prospective members must be proposed by four existing members, and the waiting time depends on the identity of the proposers. "One has to discriminate in some way", says Fernandini.

One of the great advantages of the Colony Room Club and Two Brydges Place is that members go strictly to relax: there are no rooms for business conferences, and talking shop is out of the question. There is a handful of clubs though, such as Moscows on Frith Street, The Gardening Club in Covent Garden and Morton's on Berkeley Square which offer board rooms for business meetings and, in the case of Moscows, a fax machine and a secretary.

The entrance to Morton's is lined with enough identical leather briefcases to open a small business in office accessories. Hopeful entrants are greeted by a charming woman with a computer containing the members list. The general manager, known simply as "DB", describes his club members as "a family". The family though, is rather estranged: the most filial greeting one will receive there is a reluctant nod. The latest chart-toppers blast through the bar area and in the "disco room" downstairs a group of stripe-shirted high flyers loosen their ties to the soundtrack of Kylie Minogue. "You get a better class of drunk here", says a grey-suited member leaning on the shiny bar.

The younger, hipper crowd wouldn't be seen dead in a place like Morton's. Their haunt is Fred's, a relatively new club in Carlisle Street. Magazine journalists, graphic designers, comedians and minor pop stars drink imported bottled beer in the kind of atmosphere that can be found in any trendy nightclub in the West End.

"It's good to come here if you're a woman because you don't get hassled or picked up if you're on your own. It's also open until 2am", according to one member, a graphic designer.

Others are more prosaic: "I come here to meet hairdressers", says a TV producer in a leather biker's jacket.

Trevor Humphries

Guardian at the gate: Ian Board, owner and doorman of the Colony Room Club in Dean Street

WHERE THEY ARE, WHAT THEY COST

The Groucho Club: 45 Dean Street, W1. Publishing, journalism, broadcasting, thespians and miscellaneous household names. Membership costs £275 and £100 for the under-26s. Bar open until 1am.

Chelsea Arts Club: 43 Old Church Road, SW3. Similar to Groucho's but more artists and designers. Membership costs £235. Bar open until midnight.

Two Brydges Place: Two Brydges Place, WC1. Lawyers, artists, vicars, actors and minor politicians. Classical music at lunchtime, varies at night. Open until midnight. Membership costs £150. Must be proposed by four members.

Colony Room Club: 41 Dean Street, W1. Artists, poets, cartoonists, lawyers, ageing pop stars. Open until 11pm.

Moscow's: 62 Frith Street W1. Most professions, all ages, although the barman here said "you only get mainstream people in Grouchos". Small and crowded, open 24 hours, with drinks served until 3am. Advertised in airline magazines; two different dance floors. Membership costs £200 or £25 a month or £80 a quarter.

The Gardening Club: 4 The Piazza, Covent Garden WC1. Opened in December last year. Marketing, architects, media. Members' club during the day, dance club at night. Business meetings welcomed. Membership is free until June, then it will cost £15 a year.

Rheingold Club: 361 Oxford Street, W1. Very cosmopolitan, most professions. Described by its owner as a "Continental dance club". Membership depends on "behaviour, dress and education". Costs £15 for men, £5 for women.

The Academy Club: Beak Street, W1. Auberon Waugh's club for literary luminaries. Members include Emma Soames and Victoria Glendinning.

Browns: Great Queen Street, WC1. Reopening on May 29 after £1 million refurbishment. Caters mainly for people in the music industry, including George Michael and friends. Dancing, two-tier lounge. Membership £103. **Mortons:** 28 Berkeley Square, W1. Chief executives, businesspeople and miscellaneous. Membership costs £275.

Freds: 4 Carlisle Street, W1. A younger crowd than most of the other clubs. Graphic designers, art students, journalists and TV producers. Famous members include Keith Allen, Adam Ant and Robert Palmer. Open until 2am. Costs £200 to join.

Once more, with feeling

***John Gapper** explains why taking up the cello is better the second time around*

IT DOES NOT change. The same ribaldry in the street – "That's a big violin you've got there, son"; the same roughened and painful left-hand fingertips; the same admiration at hearing it done properly by others; the same inordinate pleasure when this old box of wood sings as it can.

After 15 years, playing the cello again is a powerful mixture of hope and frustration. Just sitting with one's legs wrapped around the familiar womanly shape and one's neck cradled against the wooden neck is enough to bring back a lost part of childhood.

There are a lot of us. My cello teacher has known others who have turned 30 and are struck by nostalgia. They dig out the instrument which has sat unattended upstairs since their late teens, when they were distracted by university and the opposite sex. They yearn for the chromatic and harmonic minor scales, the arpeggios and dominant sevenths. Merely having a career is starting to pall: they wish they could play Bach. The pangs must also afflict the former players of other instruments: a generation wants to recapture its past.

The surprise is how quickly that past returns. The hours of practising scales and exercises on three-quarter size cellos, before the hands are big enough to fit round the real thing, are buried inside like an instinct. The first time you hold a cello again, your fingers assume the familiar positions. The leap from first to fourth position is still there like a phrase in a language learnt as a child but not spoken for years. The sound is rusty and inelegant because the fingers are weak, but they repeat old patterns without prompting.

Unlike some other instruments, there is a good financial reason to be wary of taking up the cello again. The scarcity of good instruments – to play above an elementary level, you need either an old cello or a hand-made modern one – makes it expensive. My former cello, sold when I stopped playing it at 17, was made in about 1870. It was an imitation of an instrument made by Jean Baptiste Vuillaume, a French maker. It would probably fetch about £5,000 today: a real Vuillaume cello would cost at least £60,000.

Those who kept their childhood instruments for sentimental, or hard-headed business reasons, are therefore lucky. A basic cello is likely to cost between £2,000 and £4,000 from a London dealer and there is no upper price limit. I was fortunate to come across a good instrument on which to start again: a cello made at the end of the last century, with a post crack. This means that the wooden post inside the body which keeps the front and back apart has made a crack in the back by pushing against it at the base.

Although the crack was repaired, probably 30 years ago, it will reopen some day. This sharply reduces the market value of the instrument, although the sound is virtually as good as if there was no crack. It cost £350 including bridge, tailpiece and strings; it would be worth at least six times that without the crack. This means there is an odd hierarchy of value between my cello, my bow and the fibreglass case the two are carried in. The case cost nearly as much as the instrument, the bow cost more.

Once you are sitting in front of a teacher with a bow in your hand, such financial doubts disappear. The problem is advancing this far: the air of impenetrable mystery in most good instrument dealers takes some confidence to penetrate. Even getting into the shop can be tricky: you have to ring a bell to be admitted to J and A Beare in Broadwick Street. Once inside, you are surrounded by venerable instruments and years of expertise. Despite the enthusiasm of the staff, one's first reaction is to run away.

If you resist, the first requirement is to find a suitable teacher. This is a matter of luck, although you can narrow the field by asking at a dealer or music college for suitable names. A young musician earning money from teaching while trying to start a solo career may be best. He or she may be more lively and and have more to offer than a teacher ground down by years of child pupils. My two teachers 20 years apart, Emma Ferrand and Caroline Salata, have both been young musicians and put a lot of effort into teaching me.

Once back behind a cello, you remember the physical problems of playing. The paradox is that you can abandon the instrument for 15 years and still remember large parts of how it works, yet the instrument feels alien when picked up if you have not played it for two days. You also rediscover how rigorous is the harmonic operating system you have to understand to make sense of the pattern of notes. (How many sharps are there in the scale of E sharp major? Four more than the number of notes in the scale, improbably.)

The advantage of learning, or re-learning, as an adult is that you can take more interest in the mechanics of what you are doing. Adults are better pupils than children because they are paying for the lessons. I spent three weeks when I re-started simply doing bowing exercises, without touching the fingerboard; no child would have stood for that. Because you are more interested in the principles of scales and arpeggios, you are more willing to put in the hours doing them repetitively without relapsing into tunes.

In return, there are other rewards than the childhood ones of doing something better than your peers. The moment I remember best as a child was being given an ice cream for winning the open section of a local music festival. The prize for playing as an adult is returning from work and being able to clear your mind of stress just by taking out this coveted instrument and playing a few scales and studies. Nor is there such a rush any more; it matters less that you are bad because there is time to get better.

Yet it is easy to forget how good are ordinary professional musician – let alone soloists – at the basics of technique. The discouraging part of learning again is getting used once more to the idea that your playing will always inhabit a lower sphere. With a good grounding of childhood technique and half an hour's practice a day you can become good enough to impress musically-untrained relatives and friends. That is not the same as being a musician. The cello makes odd grumbling and squeaking noises; it still lives beyond your control.

So playing again is full of uncertainties and hazards. It is hard on fingers and brain. But after five months, it has become a delicious thrill. Reaching the climax of the Prelude of the first Bach cello suite vaguely in tune feels much like bliss. I met another of my teacher's adult pupils the other day. He has bought a better cello than mine, to my envy. "If I'd put half as much effort into my career as I've put into playing this in the past year, I'd be doing pretty well," he said. It sounded dangerously true.

■ *Caroline Salata will be giving a recital as part of the Rose Duo at St George's, Hanover Square later this year.*

Colin Beere

John Gapper brushes up his technique under the watchful eye of his teacher, Caroline Salata

Cross lines

IN ITS advertisements British Telecom urges those who are moving home to: "Pick up the 'phone and we'll make sure it's on when you move in." Don't believe a word. Even General "Stormin' Norman" Schwarzkopf would have trouble getting BT to terminate one number and allocate a new one at a different address by simply picking up the 'phone.

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Dial 150. Quick response. "Telephone sales, can I help you?" Sounds promising. I make my request. I have two lines. I want to terminate one and put a diversion message on the other. Then I want to get two new numbers in another London telephone exchange area.

"Hang on, I'll put you on hold."

"Hold" is an echoing world of very loud waltzes. After a few minutes they stop.

"Telephone sales, can I help you?" I have been abandoned by my first helper and automatically passed to another. I explain my request again. I am put on hold. The waltzes return. Then they stop. There is a wonderful silence, but no helper. Nothing.

I dial again. After explaining again, I am put on hold again.

Then the sales person returns and tells me I have to call another number to apply for my new numbers. Once I have those numbers, I should call this number and tell them the new numbers and then they will be able to put a diversion number on my number. And that will cost £37 a quarter plus VAT.

"But why can't you call your sales colleagues at the other exchange, sort this out and then call me back?" I ask. There is a sigh. "We are a very BIG company," a voice explains. "We have a LOT of different districts and we don't have the computers to do all that. You have to call."

I am beginning to breathe erratically. I decide to begin the assault on my new telephone district. I am put on hold. This time it is not waltzes but something with a lot of squawking oboes.

The new district produces a similar ritual. I have to explain the request four times to four different people. I am put on hold a lot. They cannot understand why they have to send the forms to my present address because I have yet to move to my new address. I want to cry.

After two hours of calling, holding, being cut off, explaining, explaining again and again and again . . . I think I've sorted it out.

Two days later I get a call from the owner of my new home. BT has sent some forms for me to sign, but to the wrong address. I call Mercury. They say I have to get a line from BT before I can use their service.

Does anyone know General Schwarzkopf's number?

Peter Knight

Batson comes out of the belfry

***Robin Lane Fox** finds that the history books may not have to be rewritten . . .*

BATSON D. Sealing has come in from the cold and his mysterious Egyptian text has taken a new turn. "Could it even so be an elaborate hoax," I wondered in last Saturday's *Weekend FT*: the chances are always high with an untraceable document, purporting to give sayings of Jesus in an unexpected ancient language. "If so, it is not an obvious one . . . if it is not authentic, quite another story remains to be told."

The story has taken an hilarious twist: against me, I admit, and against quite a lot of other people, including some wary scholars. In November, friend Batson sent his text to an Egyptological journal in Oxford, enclosing a photocopy of what purported to be its debut in print, back in 1875 in an obscure journal in New Orleans. He mistranslated it from top to bottom.

In January, the text was translated correctly, apparently as sayings ascribed to Jesus, most of them known in other sources. After submitting his text, Batson failed to answer further inquiries. In mid-January, he sent a second letter, giving forwarding addresses from Montana to Iowa, at various academic departments. When we contacted them, they had not heard of him. "Bisy Batson," I began to imagine, remembering the infamous note from Christopher Robin in *Winnie-the-Pooh*. A spotted or herbaceous Batson would have been nearer the mark.

The curious text was first brought to my notice by chance in late March; mysterious suspicions still surrounded its origins. For scholars, these suspicions centred on the text: nobody could trace the journal in New Orleans which was supposed to be its source. Yet, Batson's photocopy was impressive, using different type-faces. Without the text's original transcript, who could be sure?

Those who fix their eye on the ball (not the Batson) fail to notice when fielders play games behind their back. The text's true meaning had intrigued various scholars; it was studied at a seminar in Oxford; its source began to be referred to as Sealing and we all know that Americans' names can sometimes seem curious in English. Naturally, I tested it for anagrams: BELONGS AT SAND or GIN SODA BEATS . . . it eventually produced BADIAN'S LONGEST, a notorious academic critic of Alexander the Great. But, I fear, none of us spotted the obvious Batson spoor.

If in doubt, ask your daughter. Mine thought I *must* have noticed, but the text survived the miscreant scholar's joke: Bats On The Ceiling. Obsessed with the text, we had all missed the name's meaning, by which the author, surely, was announcing that he was a spoof.

Does this mean the text must be a spoof also? I think it must be, although others still wish to hedge their bets. A few charitable souls still think that poor Batson has been unfortunately christened; others think that the text could be genuine, although the man who produced it called himself a lunatic: he did, after all, mis-translate it. Others think that a genuine text might exist somewhere, even though the 1875 journal appears to be a spoof too. It remains a very intricate document: other fake stories have had a partially genuine ending.

Still, I am sure that its spiritual uncle is Batson D. Belfry, even though the text is extremely subtle and therefore, as I remarked last week, no ordinary hoax. So the plot thickens: who is the real Batson?

The text has not been composed from other bits of text which already existed in Egyptian demotic script: it combines new phrases with near-translations of sayings preserved in Greek or the later Egyptian script of Coptic. The sources of these sayings are rather recherché; the translation is not exact and the little differences are significant. The real Batson must know this text very well indeed. He also had the wit to submit a time-bomb, mis-translate it totally and hope for the off-chance that somebody would unravel it. The unravelling of words, by Oxford's Mark Smith, remains a very sharp piece of linguistic detection.

The hoaxer is therefore, a skilled scholar in Egyptian texts who is well informed on the sources of alternative sayings ascribed to Jesus. He has chosen known sayings about secret meanings which have added point if you know that their author is himself a forger: the text has possible references to the mystery which he has devised.

He (or she) has also faked part or all of a photocopy, as if from an old New Orleans journal, complete with different types and a title-page. He has sent artfully-constructed letters whose address to Oxford is on a typed label. If the label is removed, it shows the name of Batson D. Sealing in ballpoint pen, erased by felt-tip pen, as if the envelope had first been addressed to himself. He has referred to forthcoming articles, due in 1991, although neither has yet been received by the promised publishers. One of them, on a point of terminology, sounds wonderfully quaint, but scholars do sometimes waste ink on nothing better.

There is, however, a clue: the editress who received his first letter happens to have kept the envelope. Its stamp is post-marked San Antonio, Texas, on November 16 1990. Batson's letters have never mentioned a Texan connection. San Antonio happens to be the home town of the journal by which the next article by Batson is supposed to have been accepted: is it a coincidence or somehow a clue to the fake's academic home? A rivalry, perhaps, between scholars or editors or their periodicals, with Oxford receiving a Texan time-bomb?

Batson has come down from the ceiling but he may yet have to come out of the woodwork. It is not Jesus, obviously, but it does not look like a very Christian story, either.

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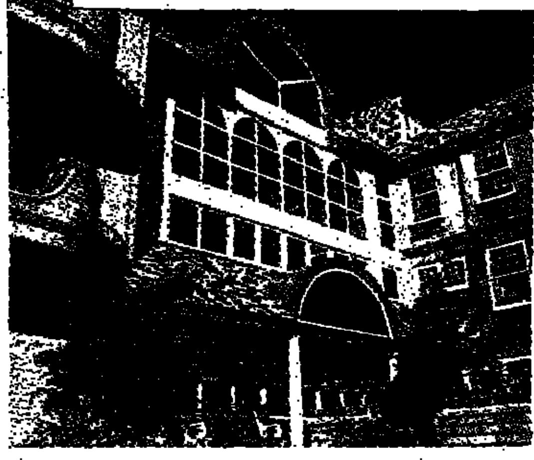

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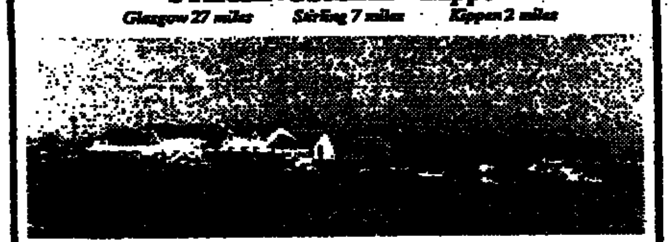

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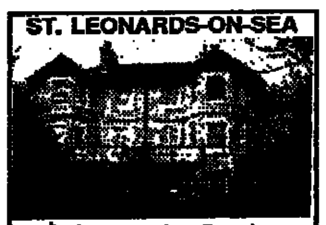

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Rough justice for whistle blower

THE TIME has come to blow the whistle on Bob Woodward. This may be rough justice for a journalist and writer who has made a distinguished career out of listening to whistle blowers, bringing down and otherwise exposing presidents, supreme court justices and directors of the Central Intelligence Agency, but it is at least appropriate.

The sad truth is that his latest volume, *The Commanders*, about the men who brought you the invasion of Panama and the Gulf war, is a pretty poor travesty of formula writing. It claims not to be an instant book but it reads like one. It is stuffed with details you don't want to know and lacks the perspective and context for which the reader craves. Of course, being Woodward of Watergate, it contains nuggets, but even these are of less than his customary carat quality.

Thus to discover that General Colin Powell, chairman of the Joint Chiefs of Staff, had reservations about going the whole hog against Saddam Hussein and would have preferred "containment" (i.e. sanctions) is to be told the obvious: civilians like to wage war – and to dispatch soldiers to do it for them – but professional military men prefer to weigh the odds pretty carefully. To read that Dick Cheney, the Secretary of Defence, told Powell's predecessor, Admiral William J Crowe Jr, that Mr Bush was capable of being "vindictive" is not exactly to unearth a holy grail. Men do not become presidents without a mean streak, even if they do not like it publicised.

To learn that the US Administration ignored a flash warning that *Saddam might* invade Kuwait two days before he did ought not to be seen as an example of wilful carelessness by the government, but more as an indictment of US intelligence capabilities. After all, even the *FT*, which never saw a satellite photo, worked out that Kuwait might be attacked 24 hours before the event.

THE COMMANDERS
by Bob Woodward
Simon & Schuster £16.99. 398 pages

Close observers of Washington snakes and ladders will enjoy some of the inside gossip on which the US capital thrives, while generals from all over the world will pore over the minutiae of war planning.

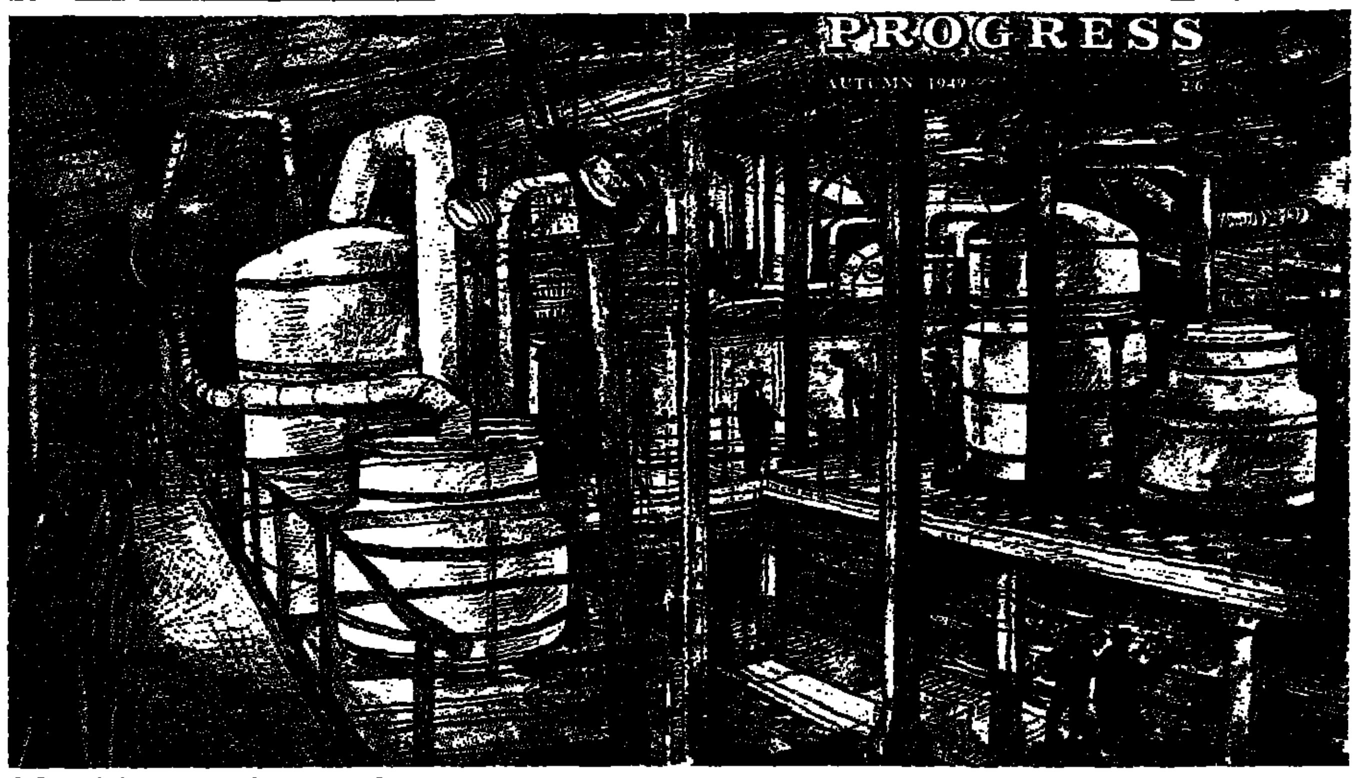
But whether Brent Scowcroft mistrusted James Baker or Powell thought General Maxwell Thurman (in charge of *Panama) inclined to hotheadedness* are more the subject of footnotes than pages on end, since their respective influence on policies was not great. Indeed the whole sense of drama of policy-making is almost entirely absent.

Some controversy attaches to Woodward's technique, which he has used before, in which a narrative puts words and thoughts in people's mouths and minds without actually saying who provided the information. The author justifies this because so many of his interviews were "on deep background" rendering specific attribution a breach of confidence. It does not take a Poirot to work out that an awful lot of them were with Powell.

The technique should offend only the very literally minded. *The problem is that it does not* deliver the goods. Instead of acute insights we get banalities ("Powell smiled") and dross ("the building was eerily quiet"), instead of analysis, memos and acronyms. The portraits that emerge of Powell, Cheney, Scowcroft, Schwarzkopf et al, even George Bush himself, are uniformly flat. "The tension soon drained away," it says on page 242. The average reader may find it expiring closer to page 55.

Jurek Martin

Minton: handle with care



John Minton's cover design for the Unilever House Journal, 1949

THOUGH JOHN Minton had a private *income it did not* come, as people often thought, from a family stake in *the company that markets fine* chinaware. Its source was the department store, D.H. Evans. *Minton's grandfather*, *Ernest* Webb, rose from being a draper's assistant to becoming its *managing* director. When he died Webb left behind a substantial trust fund of which Minton became a beneficiary in his early twenties. On leaving Soho with his companions of the night in a taxi, Minton would cry out: "We're spending your money, darlings!" when the cab came alongside the Oxford Street facade.

Yet the confusion is a pardonable one. There was an air of vivid fragility about Minton that made his surname seem appropriate. Though nearly always amiable, and incredibly amusing in a self-consciously camp way, and basically *sympathique* (to use one of the favourite words of the period), he had "Handle With Care" written all over him.

In the post-war neo-romantic late 1940s and early 1950s period, Minton's role was that of Ariel. He was the mercurial sprite who was capable of conjuring everything out of nothing. His decorative pen-and-ink panels which appeared in journals like *The Listener* were filled with cornucopias of vegetables, flowers and fruits, jostling with suns, moons and stars, sending out a perpetual love-light.

His friend John Lehmann made an inspired choice of artist when he commissioned Minton to design the jackets for Elizabeth David's two earliest books, *French Country Cooking* and *A Book of Mediterranean Food*. Further commissions followed from industrial companies such as the Reed Paper Group, the Imperial Smelting Corporation and Unilever. Minton had no difficulty in meeting his employers' requirements without compromising his own individual style.

Minton's seasonal cover-designs for Lehmann's *Penguin New Writing*, composed of everyday artefacts such as a wooden cart-wheel or an earthenware jug beside a feathery quill-pen framed by a wind-swept tree, were reminders of the rural England we hoped had survived the war intact. When he went on a post-war voyage to Corsica with Alan Ross, and later went to Jamaica, Minton proved he had a similar gift for evoking the exotic in scenes of heat-drenched succulence and abundance. He was a tireless worker whatever was going on in his private life, where he was promiscuously gay but had several close, enduring friendships with women.

As in the *Arabian Nights* and Shakespeare, the rich banquet to which Minton bade his admirers proved to be illusory. When you reached out to taste the fruit, it just wasn't there. Behind the jester's mask lay a massive creeping inward malaise. Lucian Freud exposed it when, at Minton's request, he painted his portrait. Minton himself was uncomfortably aware of it – as may be observed in a self-portrait, a pencil drawing, now hanging in the Michael Parkin Gallery in Motcomb Street, which has mounted an excellent exhibition of Minton's work to coincide with Frances Spalding's well-researched biography of him.

DANCE TILL THE STARS COME DOWN
by Frances Spalding
Hodder & Stoughton £25. 271 pages

Spalding gives us an admirably intelligent account of all the known facts, but the truth is that Minton does not submit readily to the cool detachment of a well-informed biographer. There is something rather risible in once riotous habitués of venues like the Black Horse and the Highlander pubs in Soho, now respectable elderly individuals, being solemnly questioned on what they remember about their one-time boozing pal. A couple of drawings in the Gallery give one an insight into the kind of muscular young men he liked. There is also a Minton drawing of a clown hanging from a rope with a noose around his neck that seems to say it all.

It is finally a tragic story that emerges. Minton died in 1957 at the age of 38 from an overdose. Spalding suggests that a crushing sense of failure had begun to overtake him even though he was still highly successful. He had been a dynamic teacher at Camberwell and at the RCA, much loved by both staff and pupils. But by 1956 he was so often stoned or delirious when he arrived he had to give up.

Moreover, to his chagrin Minton's current male love switched modes and married Minton's closest woman friend. And though as an artist Minton had his eloquent champions, he sensed that the tide was turning against him. He feared the onset of Abstract Expressionism. He felt his contemporaries Freud and Bacon were pulling away, leaving him high – if not exactly dry.

Minton made his bid for recognition by the Royal Academy in one or two untypically large oil paintings, grandiose compositions like his version of "The Death of Nelson". But they failed. He was never made an associate member. Spalding tells us that rejection by the art establishment really hurt him. The Nelson canvas, which now has a home in the Royal College of Art, was too massive to move to the Parkin Gallery. But it is reproduced among several colour-plates in the book.

In his frequent maudlin moments towards the end of his life, Minton must have felt like echoing Noël Coward: "The most I ever had was a talent to amuse". But it would not have been completely true. He communicated a vision of gaiety, warmth, decency and tranquillity that, as the book shows, proved elusive in his own life. But to which – as the Parkin exhibition confirms – he gave a life of its own.

Anthony Curtis

History is lunch

LORD JOHN Harvey was right: "The ends of life are filthy ways." Simon Schama relates two such ends in *Dead Certainties*: the death of General Wolfe, and the death of Harvard Professor George Parkman. These stories in *themselves* are compelling; but Schama's book is important because it presents an exciting new *kind of history*. Schama trawls the straits between the lived event and subsequent accounts of *it. He combines* historical narrative and fictive technique, making history a form of literature.

This is not an easy book, but it is immensely satisfying, even in its refusal to deliver sequential narrative; instead, we have to content ourselves with broken lines of communication with the past. This puts Schama's enterprise adjacent to the Melville of *Benito Cereno* or the Faulkner of *As I Lay Dying* and *The Unvanquished*. Among contemporaries, the outlook of *Dead Certainties* resembles that of Alan Gurganus' *Oldest Living Confederate Widow Tells All*; Gurganus' heroine says "History is how food the soldiers gobbled at 11 a.m. sets with them at two when the battle starts, how one snack's heartburn changes everybody's aim. History is lunch." Each writer treats the facts of history as the starting-place, and from there launches a raid on the unknowable which becomes a victory over entropy. Both Gurganus and Schama tax librarians and booksellers with a "History" or "Literature" category problem.

Schama's move into literature continues the personal journey from the brilliant *Citizens* (1989), and meets up with refugees from fiction in the 1980s, especially John Banville and I.F.Stone; these keep uneasy company with the hordes of advance-hungry biographers who shipped out of the novel in order to shape up other people's lives. Schama's work is teasingly poised between genres; but its brilliance is that – like the most humane criticism of ideas – it recognises other forms of exchange of ideas: art history, the law, journalism. And this breadth of vision enables Schama's visceral, implicated human response to the *facts* of each case.

DEAD CERTAINTIES
by Simon Schama
Granta Books £15.99. 333 pages

In practice, Schama's writing makes the two deaths into fascinating reading. First, Schama looks at the many deaths of General Wolfe: in 1759 at Quebec, green-faced and blood-spattered; in Benjamin West's 1771 heroic portrait; and in Francis Parkman's seven-volume historical account of the Anglo-French struggle for North America. Into this simple frame, Schama inserts fictive and factual details to fill out the picture: letters, anecdotes, diaries. As West commented, "a mere matter of fact will never produce the effect." And he adds the psychological history which led Parkman to become the unapologetically American chronicler liberated from the *formal British* tradition after his famous 1848 trip West and the subsequent *Oregon Trail*.

The second death is that of Parkman's uncle, George, in 1849. This Boston Brahmin, quietly rich and tersely civil, was clubbed to death and incinerated in the Harvard Medical College. Schama follows the trial, conviction and death *of his murderer*, John Webster. We see Parkman at work with John James Audubon the ornithologist, suffocating a golden eagle; with the lunatic asylum of the Massachusetts General Hospital; as a medic; and as a stern Boston landlord. As competing versions of the same event are pressed into service in court, Schama listens to evidence from dentists, pathologists, character witnesses, and to the opinion of moneyed Bostonian Unitarians. The Webster trial raised issues of the status of expert and circumstantial evidence; but the law required a verdict, and such *questions* evaporated as Webster was sentenced. He wrote a muddled confession from prison.

Dead Certainties is subtitled "Unwarranted Speculations"; it shows that *history* is partially just the luxury of afterwards: and it shows that hindsight is not *the exact science* it claims to be. Retrospective speculation has a place as a *form of history*. *This* is a brave, exhilarating book which will cause thoughtful *historians*, novelists and critics to look again at the genre. After all, few academic *historians* have the confidence to say of their profession, as Schama does, "We are doomed *to be forever hailing someone* who has just gone around the corner and out of earshot."

Andrew St George

After the bomb

AT THE height of the Reagan Administration's campaign to roll back the Sandinista Revolution in Nicaragua, an ill-explained incident occured. In May 1984, a bomb went off during a press conference given in a remote area of the Costa Rica/Nicaragua border by Eden Pastora, the maverick Sandinista turned Contra rebel leader.

The bomb killed three journalists and injured 17 others; Pastora escaped with minor injuries. Susie Morgan was the most severely injured. As she recovered slowly in a US hospital, she became consumed by a desire to find out who planted the bomb.

Ms Morgan, a British freelance, soon learned that the bomb was planted by a man who had attended the press conference posing as a Danish photographer. This knowledge was all the more chilling since the assassin had travelled with the journalists. He had then placed himself outside the range of the blast, watched the agonies of the wounded, and faked injury.

Hunting down the assassin and his masters is an extraordinary story which provokes admiration and anger in almost equal parts. Susie Morgan took two years and underwent dozens of operations to recover and she shows heart-warming courage in her determination to overcome her traumas. But equally she painstakingly details a situation whereby innocent civilians can have no recourse against officialdom when the CIA judges interests of state are at stake.

IN SEARCH OF THE ASSASSIN
by Susie Morgan
Bloomsbury £15.99. 207 pages

Probably her investigation would never have prospered but for the funding of a television programme. Ms Morgan is not an investigative journalist, and she takes no delight in either the chase for facts or the unsavoury plot that unfolds. Such distanced distaste adds both credence and poignancy to her tale.

The trail is full of false leads and stone-walling, starting with forensic evidence of the bomb which is removed from Costa Rica by US experts never to be seen again. The Danish cameraman turns out to be a Libyan CIA "asset" and she convincingly demonstrates that his mission was known about – if not coordinated – by the chief of the CIA's Latin American operations and the assistant of Oliver North (disgraced by Irangate). She deeply implicates John Hull, a US citizen with a big ranch on the Costa Rican border, who was the central figure in covert US support for Contra operations against Nicaragua being carried out illegally from neutral Costa Rica.

Convinced anti-communists within the CIA, she maintains, had become paranoid about Pastora, who disliked any US involvement in the anti-Sandinista movement. They believed he was a secret Sandinista who needed to be eliminated. The rest of the Contra leadership disliked his individualistic style. Pastora had also antagonised the Colombian drugs mafia, who were taking advantage of the war along the Costa Rican/Nicaraguan border to load US-bound cocaine onto the planes secretly bringing arms to the Contras.

Ms Morgan's findings have been broadly endorsed by a recent Costa Rican government enquiry. However, she only nails but does not find the assassin. This may leave readers frustrated unless they realise Ms Morgan's search has been the means for her to get on with the rest of her life.

Robert Graham

And heroes still go down those mean streets

Our literary editor surveys a selection of the season's thrillers and concludes Chandler was right

IN A famous essay Raymond Chandler wrote (with the help of my italics): "Down those mean streets a man must go *who is not himself mean*, who is neither tarnished nor afraid... He must be *a man of honour*, by *instinct*, by *inevitability*... He must be *the best man in his world*..."

That, I suggest, is a paragraph to bear in mind when we next ask ourselves, on the short-haul flight or the Inter-City, why most thrillers are so depressingly third-rate. Why there are so many, too many, which deliver routine slam-bang and conspiracy with a bit of sex (the latest fashion is to throw in a formula bout of fellatio), depth-researched and *straight-onto-the-word*-processor – and yet they apparently sell well, at least in paperback after a token appearance in hard boards.

Remember Chandler and *test him out all these years* later. And here my report for the season leads off with a magnificent first novel by Walter Mosley (Devil in a Blue Dress, Serpent's Tail paperback, £6.99, 219 pages) in which, from the first page, it's clear we have discovered a wonderful new talent. It's always the tone of voice that matters most in this particular world and Mosley has it – his own style and subject matter – beyond dispute. American reviewers have compared him with Chester Himes and Richard Wright and (of course) Chandler, but that's misleading and beside the point: *there* is a splendid freshness to Mosley's prose and we sense that here is a real world we are hearing about for the first time.

That world is Black Los *Angeles in 1948*. The narrator is Easy Rawlins, out-of-work Black ex-G.I. and apprentice *private investigator*. *Moose* is his villain-friend and protector, a Shadow figure if *ever there was one*. *And the* point is – reference Chandler and his Marlowe – that Easy is a good man: this is the private eye as Hero. He's the most exciting arrival in the genre for years.

We all know that the end of the Cold War has devastated the thriller writers. One reaction has been to take wild risks and plunge into the uncertainties of post-Glasnost "faction". Tim Sebastian, for example, (whose publishers irritatingly harp on about his BBC job as though that guaranteed literary quality) gives us an involved farrago about Gorbachev planning to defect to the West via an Arctic air-base, with a twist in the tail (Saviour's Gate, Simon & Schuster, £13.99, 266 pages). It's a dangerous game, this "post-glasnost thriller" set in "the near future", because obviously it can be torpedoed by news from the *real world, and it has to rely* on lots of rather confusing detail of the sort foreign *correspondents pick up in their* Moscow bureaux.

Much more impressive, in this same area, is Robert Littell's An Agent in Place (Faber, £13.99, 295 pages), set in the same Moscow, drawing on similar fantasies about Gorbachev, and described in far superior prose and much more convincing detail. Littell has been compared with John le Carré and this book certainly relates to *The Russia House*. It has the same complexity of plot and is also a love story between a Western spy and a Russian woman. But it's good – the Russian poetess and her hustler ex-husband, the two American spies, young and old, the Embassy life, Moscow today – and it is well, and ambitiously, written.

The fact remains, Cold War thrillers are in their death throes. There has been a frantic search for alternative areas of dramatic potential – *like the last days of the* Second World War.

So we have Dobbs, Kerr and *Egleton, to name just three* who have spotted the trend. Michael Dobbs has made a fast *name by exploiting* a claim to inside knowledge of Westminster (see *House of Cards*). Here he ventures away from his home base and goes for the Freddie Forsyth market with an alarmingly Over The Top saga of the closing weeks of the war (Last Man To Die, HarperCollins, £13.99, 283 pages). German P.O.W. in Yorkshire escapes in 1945 and miraculously gets back to the Fatherland. There's a lot of rather worrying fake realism (Churchill in bed with breakfast, Eisenhower in bed with secretary, and the hero – who, it turns out, is not a Nazi – in bed with Eva Braun.) "Hencke *watched* transfixed as Adolf Hitler's heart broke into a thousand *pieces". My case rests.*

Also OTT, I feel, is Philip Kerr's A German Requiem (Viking £13.99, 307 pages), another post-war exploitation. Kerr has had the dicey idea of a series based on a sympathetic German private eye who is ex-SS. Here we have Berlin, and also Vienna, in the winter of 1947 in a drama of black marketeering, Nazi-hunting and Cold War preliminaries. *The Third Man* is being filmed in the background, but unlike that masterpiece *A German Requiem* suffers from the vice of young authors, it has a surfeit of unnecessary and deterrent detail; as the research becomes more impressive, the plot became impenetrable. "Bitter bile percolated up from my liver to break down the fatty doubt that lay in my gut." Indeed. *At least it's more interesting* than Clive Egleton's Last Act (Hodder & Stoughton £14.99, 281 *pages) which tells a* complex tale of Warsaw in 1944, re-examined in 1958. The *plotting is crowded*, though efficient, the prose is flat, the detail is excessive, the Polish politics are remorseless.

It's a relief, then, to get away from hot and cold wars to another trend in this contemporary and feminist world – female private dicks (and they have come a long way since Miss Marple). Liza Cody is a young English crime writer who has been winning attention for her "Anna Lee" books, narrated by her downbeat girl protagonist who works for a London security *company* which seems to specialise in burglar alarms. In her latest – Backhand, *Chatto & Windus, £13.99 279* pages – Anna makes a big mistake in going off, after slow domestic detail in North Kensington, to Florida. This is a mistake because Cody is poaching on the territory of the Real Pros. and in particular John D. MacDonald of blessed Travis McGee memory, and in this land she's the merest amateur. The plot has to do with running steroids etc. into the US under the cover of Italian cosmetics. The detail, and the telling of it, are utterly middle-brow, Florida seen from a package tour to Orlando. Anna Lee does have a certain *Guardian*-reader authenticity. Trouble is, Cody is honest enough to admit that Anna's everyday world is as boring as the *Guardian* Woman's Page. Anna would be well advised to stay in Shepherds Bush.

The Americans, I'm afraid, do these things better: see not just Sarah Paretsky but the new Linda Barnes – Coyote, Hodder & Stoughton, £14.99, 257 pages. Barnes has a lot to learn but her zany six-footer private eye volleyball enthusiast Carlotta Carlyle, *this time tangling with Latin* illegal immigrants, drives a cool plot even if she's not yet writing well enough.

Talk about good writing and in wonderful contrast we can read the American pros at their best. Witness Irving, Parker and James Lee Burke.

Clifford Irving, a veteran with a past, has come up with a courtroom procedural (Trial, Hamish Hamilton, £14.99, 308 pages) which is designed to challenge *Presumed Innocent*, and does just that. Irving gives us two criminal cases at the *same time, to be fought by* a pressured young Houston lawyer who, as his marriage *flakes* and his career wobbles, finds himself representing both a wretched Mexican immigrant and the dangerous manageress of a topless bar – and *discovers the two cases* inter-relate. The courtroom is very well done and (see *above) the hero, in these Texas* mean streets, is a good man.

Robert Parker (Stardust, Viking, £13.99, 256 pages) *is* a superb pro, who recently completed an unfinished Chandler novel *and has now* started to publish pastiche Marlowe. This, the latest in his own long running *Spenser* series, is so good that I hope he isn't going to be side-tracked by the Chandler industry – though he must have a problem in that Spenser admits to having served in Korea. This is the old tradition of the honourable private eye, here protecting an appalling film star. "She was trouble, alcoholic, drug addicted, nymphomaniac, egocentric, spoiled brat trouble. She leaned a little towards me, her eyes the size of dahlias..." (Wonderful, those dahlias! A secret reference perhaps to the film *The Blue Dahlia* for which Chandler was scriptwriter?)

It's a book to make the youngsters despair. The plot is tight, the characters are vivid and believable (see Spenser's shrink girlfriend and their monogamous relationship), the villain is attractively villainous, the language witty and intelligent and literate as well *as* hard-boiled. ("I felt like I was trapped in a Hemingway short *story. If I got any* more cryptic I wouldn't be able to talk at all.")

Thirdly, James Lee Burke (Black Cherry Blues, Century, £12.99, 290 pages) takes his bereaved ex-cop Robicheaux and a pal, a burned-out rockabilly singer, from South Louisiana to Indian territory in Montana in pursuit of *corrupt oilmen*. Burke has been winning acclaim in the US but comparison with Elmore Leonard *and the big* crime boys seems to me to miss the point, which is that he writes like a novelist, and a good one. He has an unusual and credible hero and a *fascinating* home-base in a little-known territory which quickly becomes distinctive *and convincing. I'm not too* keen on the dream messages from his dead wife and father, *but – see above again* – Robicheaux is a good man, a man of honour, etc, etc, and *I want to read more about his* life.

There is a lesson in this. The *protagonist of Michael Dibdin's* Dirty Tricks (Faber £13.99, 241 pages) is the very opposite. Here is a sequence of Oxford killings, performed and narrated by a psychopathic failure of a language *school* teacher (it's not an "Oxford" book despite the jacket), cleverly done and *skilfully* plotted: sub Highsmith. As Chandler might have agreed, here is a world mean, tarnished, afraid. A novel, really, so it doesn't belong in this piece.

I've thrown them in the bin. I kept Mosley, Littell, Parker and Burke for my shelves.

J.D.F. Jones

SPORT


On the attack: Gabriela Sabatini has been gunning for Seles

Tennis/John Barrett

Fight for crumbs at Monica's table

THE BIRDS will be singing in the Bois de Boulogne these next two weeks as they feed happily on crumbs from the overladen tables in the corporate village at Stade Rolan Garros, home of the French Open.

The rest of us will be inspired by the women's competition which this year promises to provide a fierce competition filled with grace and skill on the famous centre court at Roland Garros.

Who will we be applauding two weeks from today as the 1991 champion? Will it be the title holder and world No 1, 17-year-old Monica Seles of Yugoslavia, she of the gruesome grunt and flailing forehand? Or perhaps the former world champion, Steffi Graf, released from family pressures, will rediscover the touch that brought her the title in 1987 and 1988?

Or will the improving form of Gabriela Sabatini (and it would be hard to improve her form much) bring her a first French crown to go with the US Open title she won so surprisingly for the first time last year?

Perhaps the effervescent Spaniard, Arantxa Sanchez Vicario, will find once again the inspiration that made her the youngest-ever champion in 1989, a record that Seles broke last year.

Not for years have I looked forward so eagerly to the French championships, that annual test of nerve and sinew, concentration and daring, skill and stamina on the slow red clay of Paris.

But I cannot anticipate a British victory. Since this event was thrown open to all nationalities in 1925 only one Englishman, Fred Perry in 1935, has ever solved the mysteries of its bounce. This is not surprising because, until the recent LTA initiative to build a number of clay courts at strategic centres in Britain, there were no courts on which players could learn the basic requirements for success on clay – sound technique, consistency, footwork, patience, concentration and awareness of when to take risks.

For more than 100 years we had steadfastly kept our heads, ostrich-like, in the grass. This, after all, was our national surface, so why bother to find out what the Europeans were doing. In spite of this attitude, the British women have been reasonably successful in Paris.

Peggy Scriven won the French title twice before the second world war (1933, 1934), beating the great American, Helen Jacobs, in the '34 final. Since 1945, five British women have won the title a total of six times: Angela Mortimer, 1955, Shirley Bloomer, 1957, Christine Truman, 1957, Anne Haydon, 1961 and 1966, and Sue Barker, 1976.

The nearest Britain has come since was in 1983 when Jo Durie reached the semi-finals. Although Jo is challenging again this time, do not expect miracles.

So close has the race become at the top of the women's game that it is impossible to say what will happen. All will depend on the players' state of mind on the day. In 1988 Graf won in Paris with a 6-0 6-0 thrashing of the young Russian girl Natalia Zvereva. Graf's reign as world No 1 seemed certain to stretch into the far distance. Yet here she is, three years later, in third place on the Kraft General Foods world tour points standings, behind Seles, who displaced her as world No 1 in March, and Sabatini, who has won their last five meetings, four of them this year.

The rise of the Argentine No 1 over the past nine months has been

Sabatini, bored with her role as cannon fodder, transformed her game

the most remarkable facet of the women's game. Ever since changing coaches just before Wimbledon last year – swapping a cheery Spaniard, Angel Gimenez, for an experienced Brazilian, Carlos Kirmayr – her attitude has been transformed.

If proof were needed that tennis is a mental game, just consider what Sabatini has achieved since. With Kirmayr's approval, Gabby started working with sports psychologist Jim Lohr and physical training instructor Omar Carminatti.

Together, they convinced a confirmed top-spinning baseliner, who had become bored with the game and disenchanted with her role as cannon fodder for Graf, Navratilova and Evert, (before her retirement) that she could become an attacking volleyer.

After losing with honour to Navratilova in the semi-finals at Wimbledon, she swept through an astonished field at Flushing Meadow and volleyed her way to victory over Graf in the final. She beat the German again in the semi-finals of the Virginia Slims and lost an historic final to Seles, the first women's match to go five sets since Elizabeth Moore beat Myrtle McAteer in the US final of 1901.

Clearly Seles was the next target. A slight setback in Australia, where Sabatini lost to Sanchez in the quarter-finals, only made her more determined to chase the Florida-based Yugoslav. A loss in the Lipton final, where Seles became the world No 1, did not divert her, and her reward for persistence came on the slow clay of Rome.

There, Sabatini regained the title she had won in 1988 and 1989 by beating Seles 6-3 6-2. They will both remember that meeting if they should clash again next week. Sabatini will also recall her recent loss in Berlin to 16-year-old Anke Huber, touted in Germany as the next Graf. It was probably just the jolt she needed to avoid complacency.

Another significant event was the last-minute decision by Graf to ask for a wild card in Hamburg three weeks ago. She knew that Seles would be there and was determined to beat her on clay after a victory on cement in San Antonio in March.

Surviving shakily in a tense final set delayed by rain, Steffi duly achieved her objective, winning 7-5 6-7 6-3. It was just the boost she needed in the run-up to Paris, as was her decisive 6-1 6-0 defeat of Jana Novotna in the Berlin semi-finals last week – the Czech had removed her from the Australian Open in January.

Most significant was the way Graf was hitting her forehand. With her timing restored and seemingly at peace with herself, her family and her hitting partner, Pavel Slozil, she was once again producing those devastating winners. Certainly an inspired Sanchez could only gasp as her 5-3 lead in the final set disappeared and she lost 6-3 4-6 7-6.

This was Graf's third win in her last four tournaments. Perhaps she has got the timing right. With Navratilova absent again (to concentrate on Wimbledon), is there anyone else with a realistic chance? Only three spring to mind: Mary Joe Fernandez, whose pedigree is right in spite of poor form recently; Jennifer Capriati, and Conchita Martinez, who won in Barcelona and beat Navratilova in Rome.

However, my money will be on Seles to repeat her win of 1990. She has the quickest brain and is the toughest character. In the end, that is what counts.

The men? Yes, they are playing, but do not ask me to suggest a winner. For the first time I can remember I have absolutely no idea who might prevail.

Cricket/Teresa McLean

Yorkshire's humourless idol

HERBERT Sutcliffe is one of the pantheon of cricketers who raised the game in Britain to proud heights between the wars. Sutcliffe and Jack Hobbs were admired all over the cricketing world as one of the greatest opening partnerships. Their 26 century stands remain an outstanding achievement.

In Yorkshire, Sutcliffe is still idolised and his total of 202 century partnerships for the county are brought out for recital and admiration whenever Yorkshire's performances prove too depressing.

Jack Hobbs, of Surrey and England, and Percy Holmes, one of Sutcliffe's great Yorkshire opening partners, have left vivid memories of their personalities as well as their cricket. But Sutcliffe's personality seems to have been overwhelmed by his cricket.

One of the reasons that Alan Hill's biography of Sutcliffe (Simon and Schuster, £14.99) is a good book is that it does not try to reveal its subject's hidden character. It leaves the impression that Sutcliffe's character was embodied in his cricket: determined, proud, systematic and dignified. He had no interest in panache for its own sake and seems to have had little sense of humour. He played to score runs and win matches, not to amuse the crowd, though his batting delighted crowds for 20 years.

Sutcliffe was born in Nidderdale, Yorkshire, in 1894 and brought up in Pudsey, the home of his great Yorkshire batting partner of later years, Len Hutton. When Sutcliffe's father died in 1898 and his mother six years later, three Congregationalist aunts fostered their orphaned nephews. Hill's argument that the ambitious driving force of Sutcliffe's nature was a product of this tough up-bringing, with little money and plenty of discipline, sounds convincing.

By the age of eight, Sutcliffe was mad about cricket. At 14 he played for Pudsey St Lawrence and in 1912 and at 17, he played for Yorkshire Colts against the Yorkshire first XI. Unlike most Yorkshiremen, Alan Hill restrains his "'ard-life-makes-'ard-play" view of Yorkshire cricket so that it makes easy reading for those unfortunate enough to have been born elsewhere.

Sutcliffe started his county career in 1919, the year Yorkshire won its tenth county championship. One of the book's better black-and-white photos, shows Sutcliffe the young professional in his cricket uniform, not unlike the young Peter May a generation later: hair brushed and greased down to perfect neatness. The difference is in the expression, which in Sutcliffe's case is almost frighteningly earnest.

Once he had found his rôle, he dedicated himself to it, striving for perfection. He was as likely to chastise himself as any of his batting partners for wasting a chance. In his first Test in Australia he reckoned his first innings of 59 was an "exceedingly scratchy knock" because he could not read Arthur Mailey's spin bowling.

But he and Hobbs batted with increasing confidence and mutual understanding as the tour went on, and though they could not stop Australia keeping the Ashes, Sutcliffe was welcomed home to Pudsey as a conquering hero.

Sutcliffe's domestic and social life, which were orderly and regular, with bed every night at 9 during big matches, have an air of being overshadowed, if not smothered, by cricket, and occupy a lesser, though interesting, place in his life. Such was his determination to succeed that once he had played against amateurs and heard their public school voices, he never again spoke with a Yorkshire accent, nor would he let his wife or children lapse into their accents.

The mansion with acres of garden which he bought on the brow of the hill at Pudsey kept him close to those he had grown up with – but from a winner's viewpoint.

Sutcliffe comes across as a kind but exacting helper of cricketing hopefuls. The only recipients of undemanding sentiment were the slobbery boxer dogs he gathered round him and doted on.

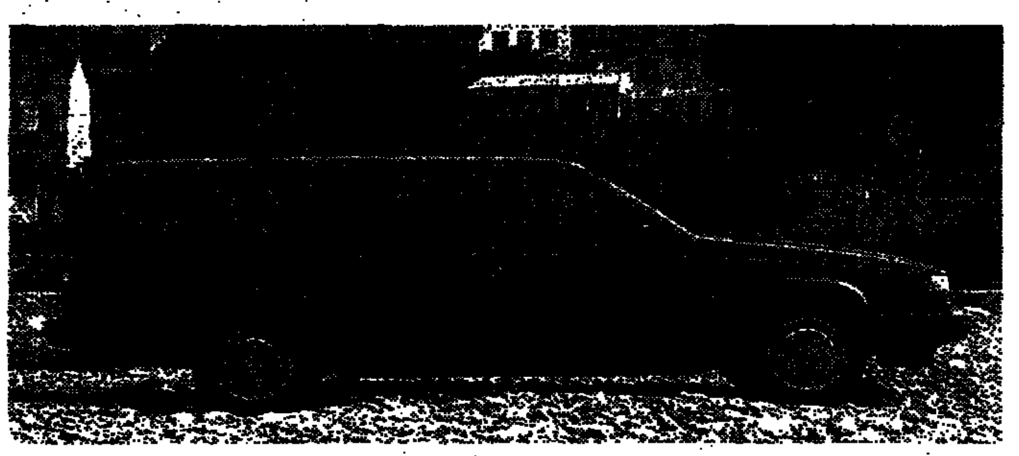
His unswerving loyalty to Douglas Jardine on the bodyline tour fits the picture of a man who thrived on adversity, respected fierce tactics and was never nervous, because there was no need to be when one knew what one was doing.

Sutcliffe's years of sunset splendour, opening Yorkshire's batting with Hutton, are well treated. Many people alive today can remember "our 'Erbert" at that stage and have given pin-point, though bland, descriptions of him.

His last years were wracked with arthritic pain, which he endured heroically. By the time one has finished this book, that is what one expects of Sutcliffe. It is not that he did not give up easily; he did not give up at all.

Motoring/Stuart Marshall

Pick your box; trad or trendy



Square but chic: the trend-setting Renault Espace (right) is now offered with a 2.9 litre V6.
The car to match your green wellies: the Volvo 940 Turbo Estate (left) is conservative design at its best.

SOME CARS lead fashion. Others merely follow it. And a third group ignores it altogether – like Volvo estates.

Do not misunderstand me. I heartily approve of the big Volvos. They are as old fashioned as men who stand when a lady enters a room, always wear a tie with a jacket and would not be seen dead in blue jeans, track suits or those terrible training shoes that look like multi-coloured surgical boots.

I like Volvo estates because they are exceedingly roomy and comfortable to sit in and feel safe, strong and enduring. Though big, they are easy to park because they have the turning circle of a far smaller car. And they are much nicer to drive than any tyre squealing, performance besotted, motoring enthusiast would have you believe.

One could not have had better transport for a May Day weekend in Dorset than the 940 SE Turbo Estate. There was room in the load space for two sets of golf clubs in their trolleys, cases of clothing for every climatic condition from an early heatwave to a return of winter and the green wellies no Volvo estate is complete without.

The front seats provide support right up to the shoulders, the driving position is excellent and three people can sit without squashing on the wide rear bench. A 2-litre turbo-charged engine is a good compromise for a large car that will be sensibly driven. Vigorous acceleration is there when needed but if you keep a light right foot on the pedal, motorway cruising is economical. I thought the 29.5 mpg (9.58 l/100km) I obtained over 550 miles (885 km) reflected a very modest thirst.

Another endearingly old-fashioned feature of the Volvo 940 SE Turbo Estate is its transmission. The 4-speed gearbox has a separate overdrive, working on top gear only and switched in and out by a button on the lever. It is a convenient arrangement. For most main road motoring, one need only flip between overdrive and direct-drive top, with just a dab on the clutch to make the change jerk-free.

In town, the transmission is so forgiving that second gear starts become routine. Little shifting is needed in traffic because the engine pulls smoothly and hard from about 12 mph (20 kmh) in third gear.

People who choose Volvo estates are normally mature enough to feel that cornering cars on their doorhandles is not a good idea. I found ample power assistance made it effortless to steer and that it always went precisely where I pointed it. On rough roads, the beam back axle could be felt humping round a bit but on motorways, the Volvo rode like a limousine.

Because the price is £19,245 and the engine of just under 2-litres capacity, the 940 SE Turbo Estate sneaks under the £19,250 tax barrier. That makes it an attractive company car for a user-chooser who has to lug bulky things around at weekends.

■ ■ ■

And now for something completely different.

The Renault Espace is as avant garde as the Volvo is timeless. It is a one-box car, with no bonnet. The steeply raked windscreen covers the engine compartment. You might say it looks like a streamlined delivery van. If you did Renault, with understandable indignation, would point out that it is not a van but a multi-purpose vehicle, or MPV for short.

Should it happen to look like a van that is because it is boxy. And, with impeccable French logic, Renault would say it is boxy because no-one has yet discovered a better shape for putting things in without wasting space.

The Espace, which takes up no more road than, say, a Ford Sierra, holds seven people and a fair amount of luggage. Or it will take a combination of between two and five people plus as much freight as would normally be carried in – yes – a van.

By folding, removing or swivelling the seats you can turn the interior into a double bed, a mobile office or the ideal place to have a picnic when it is pouring down outside.

Espace is a joint effort by Renault and Matra, which also makes more sinister products such as air-to-air missiles.

Nearly 200,000 have been sold since its introduction in July 1984. In Europe, one MPV in every three bought is an Espace. Its main rivals are the Nissan Prairie, Mitsubishi Space Wagon and the Toyota Previa which recently replaced the Space Cruiser. But several more are on their way. Used Espaces make good prices because they do not show their age. The chassis is of galvanised steel and the body is clad with non-corroding reinforced plastic panels.

They are most enjoyable (and it must be stressed totally un-van like) vehicles to drive. When I tried the latest models in the Scottish Highlands last week I thought it was more like being up front in a twin engined light aircraft than driving a car. The view through the screen is commanding and unobstructed; commanding because one sits so high, unobstructed because one sees nothing further forward than the wiper arms.

The semi-flush side windows and thinner screen pillars are new but the main changes are underneath. The top models now have a 2.9 litre, 153 horsepower V6 engine from the latest Renault 25.

Comfort has been improved by softening the springs and using Michelin's latest tyres – MXT on the 2-litre models, the higher speed-rated MXV2 on the V6. They rode quietly and resiliently and gripped securely as I drove on mountain roads under weeping skies. Changes to the suspension have made the new Espaces even less inclined to roll than before. Swing one smartly through a bend and it leans hardly at all.

There are five models with two engines – a 105 horsepower, 2-litre, 4-cylinder and the V6. All have power steering and catalytic converters. The entry model, the RN, costs £16,940, a better equipped RT is £17,675 and the poshest 2-litre RXE, £19,410. The V6 engines are offered only in RT and RXE versions at £21,460 and £23,400.

Equipment is good, especially in the RT and RXE models, but you have to pay more for ABS brakes (£1,115) and air conditioning (£1,015). The extra seats come as part of a comfort pack costing £815 on the RN, £560 on the more up-market versions. The only transmission is a 5-speed manual gearbox which is pleasant to use on the V6, even better on the 2-litre engined models. Renault UK expects over 80 per cent of sales will be of the 2-litres, with most buyers favouring the mid-range RT version.

The 2.9 litre Espace is a really vigorous performer, with ample power for romping up most hills in top or fourth gears. Renault says it is good for 122 mph (196 kmh). The 2-litre model needed the occasional downshift into third on really steep slopes. Driving it fully laden over an long alpine pass might call for a busy hand on the gear lever. Average fuel consumptions are likely to be 28-29 mpg (10.1/9.7 l/100 km) for the 2 litre Espace, 23-24 mpg (12.3/11.8 l/100 km) for the V6. The new models have a larger, 17 gallon (77 litre) tank.

Though I approve of the Volvo's conservatism, I could as easily be seduced by the charms of the trendier Espace. Given the choice, which would I have? I reckon I could live happily with either.

Dressed up for nomad feasts

PALESTINIAN *Costume*, at the Museum of Mankind in Burlington Gardens, is a knockout. It is a visual feast hundreds of heavily embroidered dresses, coin-decorated head-dresses, veils, cushions, and samplers. Exhibitions of costumes have a way of being frowsty and depressing. This one is quite a different story, partly because the costumes are not stuck behind behind glass, and partly because the quality of the photographs is so high.

The exhibition's subject is dress from the turn of the century to the partition of Palestine in 1948. It is not about the towns, where dress became Europeanised, but the farming communities (the *fellahin*) and the small minority of tent-dwelling nomads who herded animals in the Negev and Galilee.

It is perhaps not too surprising to discover that in Palestinian society, the clothes people wore served as indicators of age, sex, and wealth. However, the point so well conveyed is just how much importance was attached to dress and how rich were its symbolic meanings. Dress was a "visual language" and women, of course, were its most articulate exponents. These days embroidery is a buzz word, signifying "a rich, exclusively female discourse and body of knowledge". I quote, rather unfairly, from Dr Shelagh Weir's remarkable book, *Palestinian Costume* (British Museum Press; 288pp). It is full of superb photographs and amazingly good value at £15.00.

This remarkable and far-ranging book will be of great value to anyone interested in Middle Eastern society. For 25 years Dr Weir has researched what men and women wore and how it changed – "traditional" costume, she points out, does not mean unchanging. It is the fruit of intimate conversations with women of the older generation in Palestine, the Occupied Territories, and in the refugee camps, and is a fine piece of oral history.

Piquant details abound. There is a marvellous description of outings to town to buy cloth for a trousseau or circumcision, when the family party would expect to be put up at the merchant's house and have a feast before parting with money in his shop. In one village the custom was for smart young men to wear little mirrors in their turbans to attract the girls. Male-female relations also appear in a rather unusual light in a wedding-night ritual of the bride refusing to let her husband take off her shoes until he has paid.

As for what happened next, the "visual language" of clothes is at its most eloquent. The exhibition shows the bridal dress with its white undershift which served as the flag to announce consummation and its equally obvious red bridal veil. There is a splendid photograph of a bride, veiled from top to toe against the Evil Eye, being taken on a camel to the new home, and another of the triumphal walk amid ululating women-friends on the morning after.

Dr Weir's evocative book carries the story up to the present day when Palestinian costume is still changing and yet remains so much the same. Refugee women go to buy their Anchor cotton to recreate the embroidery patterns native to the villages their grandparents fled in 1948. Two recent additions to the repertoire of patterns are "The Bar Lev line" and "Sadat and Begin". So there is politics, too, in the language of these beautiful clothes. And yet the charm of this exhibition is that it invites us to stop thinking of the Palestinians solely as a political problem, their banner the black-and-white *keffiyeh* head-dress, and discover a heritage as rich and idiosyncratic as any in the Middle East.

Patricia Morison

A girl from the Bethlehem or Jerusalem area, 19th century

Mehta's farewell

ZUBIN MEHTA'S last concerts as music director of the New York Philharmonic, which he has headed for 13 years, are of three performances of *Gurrelieder*. The last of the them is on Tuesday; the first, last Thursday, was given to a packed and cheering Avery Fisher Hall.

The Philharmonic audience seems to have remained loyal, but New York's musical community is hardly mourning the departure. *The New York Times* critics seldom give Mehta an appreciative review, and most of the other serious critics have tended simply to ignore the Philharmonic, except when some new work is being played. *The New Yorker* valedictory paragraphs (not by me) summed things up thus: "Sad to say, our principal impression of his long tenure has to do with rather heartless, sweaty, over-loud performances of big symphonic works, in which the virtues of energy, control of momentum, and large-scale rhythmic organization are relied upon – almost exclusively – to communicate the content of the music . . . Mehta and the Philharmonic have not been an artistically satisfying match."

Mehta's performance, very loud, stressed the gargantuan, self-indulgent side of the *Gurrelieder*. It had energy and security but no subtlety, no intellectual depth, little beauty, and only the rawest, most obvious kind of excitement. The Waldemar, Gary Lakes, rang out cleanly and firmly, but the idea of legato seemed seldom to cross his mind. The Tove, Susan Dunn, who has recorded *Gurrelieder* with Chailly, was not in steadiest voice. The Wood-dove, Florence Quivar, showed her accustomed fervour of declamation. Her high F's and G-flats are rich and ringing, and she showed them off each time in the refrain, which was in consequence more splendid than poignant; but splendid it was.

John Cheek delivered the Peasant and John Garrison delivered the Jester at effortful high volume. The Speaker was Hans Hotter. It was moving to hear this great Wotan – he made his debut in 1930 – again, as from time to time he broke from *Sprechgesang* into full song, in those well-remembered noble tones. But his voice was rather crudely amplified. The other singers, unamplified, were drowned at times by Mehta's orchestra. The concert – like so many high-profile concerts today – doubled as recording session, and no doubt on the Sony discs the balance will be righted.

Next season, Kurt Masur takes over as music director of the Philharmonic. Mehta goes freelance; a Chicago *Ring* is among his assignments.

Andrew Porter

On the Gaye grapevine

THE SOUL singer Marvin Gaye was shot dead by his preacher father in April 1984. He was 44. He had written songs which touched millions: "Through the Grapevine", "What's Going On" and "Sexual Healing." In 1968 he had emerged from Barry Gordy's Detroit hit factory, Motown, to reap a whirlwind of praise and acclaim; in the 1970s he left Motown, and in 1982 joined CBS. This was the man who sung the "Star Spangled Banner" at the 1984 NBA All-Star game into a soulful ballad, the black Sinatra.

The evening at the Shaw Theatre comprises *Through the Grapevine*, a life of Gaye, and after the interval, a concert of Gaye's songs sung by the excellent Theodore "Dutch" Robinson. Come to the first half of this show only if you really love Marvin Gaye; but come to the second if you love soul.

Peter Davis' play attempts to tell the Gaye story. One suspects it is much more interesting than Davis allows it to be. This, of course, may not be Davis's fault. Gaye knew many people in the litigious music industry, and Davis has been cautious; this maybe why the script is anodyne to the point of banality. One would glean more about the entertainment industry from David Mamet or even Rob Reiner, whose *Spinal Tap* parodies the "rockumentary" so fondly.

So we learn nothing of the social background and economic exploitation of the Motown stars, and little of Gaye's progress to the top. The play is narrated by the solid Steve Parker (played by Richard Leaf), a mid-atlantic session drummer and friend of Gaye. Parker serves up the clichés: "From that day onwards, my life was a rollercoaster", or "He was a mess of contradictions and insecurities."

But Parker explains the action adequately, and steps out of his presenter's role to chat to Gaye ("Dutch" Robinson) and help make sense of Charmin' Marvin's amours. Behind them, a sound and light show pumps out the Motown sound: The Supremes, The Temptations, young Stevie Wonder. Only once does Robinson sing on stage as Gaye: it is the best moment of the play.

Gaye comes across as confused and feckless; politically aware but undirected, affected by Vietnam, Kent State, the Detroit Riots and the death of Martin Luther King. But his songs in the 1980s had sharper political focus. He had begun to sing (like Bob Marley, another rock shooting casualty) of racial harmony, one world. Conspiracy theorists might find the bizarre circumstances of Gaye's death – as Lennon's – too tempting to walk away from. He was not just another rock victim like Hendrix, Joplin or Morrison.

After the interval, the show makes for the soulful haven of minor thirds and middle eights. Here, "Dutch" Robinson (lead singer with the Ohio Players in the 1970s) is magnificent; he sings Gaye's songs with style and soul, and makes performing them (especially "Sexual Healing") into a shared delight. He has a voice that will go anywhere. May the Robinson renaissance continue.

Andrew St George

When desert life turned green

GHOSTLY PLASTER figures greet you at the entrance to *Jordan: Treasures from an Ancient Land* at the Liverpool Museum (till November 3). Eight thousand five hundred years old, they are the world's earliest three dimensional representations of humans. With their sand-coloured plaster (modelled onto a frame of reeds and twine) they seem the eternal spirits of nomadism and yet they belong to the time when the desert life began to turn green as man started farming.

The oasis/sand counterpoint is the key to the history of Jordan, as this excellent exhibition of little known but first-rate pieces instructs. To farm one must settle, and so cities and civilisation begin. But the desert is always there and, if not fought by planting and watering, will turn the green back to sand.

The statues, from Ain Ghazal near Amman, are sensational. The largest is two and a half feet high, hands on hips in a show of authority, stares ahead. Its eyes are pure white plaster edged with bitumen eyebrows, with eyeballs of a green pigment. Its body, starting flat, has a surprisingly naturalistic bottom, making this seem a modern work in the round and not a Neolithic antiquity.

A long time later the cities on the east side of the Jordan river prospered under the umbrella of Egypt, enjoying the luxuries of Egyptian society. A man liked to use a bronze wine set (jug, strainer and bowl). His wife could have an ivory box shaped like a fish with a hinged top, with delicately engraved scales for her powder; and for her jewels a small ebony chest inlaid with ivory panels, with papyrus and eye motifs and lions confronting each other as on the Lion Gate at Mycenae. The fish box was found in a grave inside a bronze bowl wrapped in cloth and placed over the genitals of the dead, while there were fish bones at the back of the skull. The symbolism is unclear.

In ancient Greek and Roman history, the Nabataeans grew rich on caravan trading in south Jordan, especially at Petra. Their thin, smart table pottery, fired a hard red and painted with plants and flowers, contrasts with their substantial sculpture, well represented in the exhibition. The carvings are solid, a powerful concoction of Greek, Syrian, Arabian and their own traditions that mirrors the wealth and mixed cultures that came with the traders' camels.

The desert returns in the final part of the exhibition with a stunning display of women's traditional dresses in Jordan from the 1920s till today, which makes it easy to imagine how the women could have looked in ancient times.

Gerald Cadogan

Radio

Crime and punishment

THE SCARMAN *Report* is an enquiry into the future of the police, to be given on five Sundays on Radio 4. In the first programme last Sunday, Lord Scarman, with a number of experts, discussed the fundamental question, what kind of a police service does the public want, to fulfil the basic requirements of preventing crime and protecting life and property.

Sir John Woodcock, HM Inspector of Police, offered unassailable views, that there must be more detection; that in today's liberal society the police must be more forthcoming, even if unable to do all they are asked; above all (a point Lord Scarman agreed with) must be a police *service*, not master. William Storey, a lay visitor, complained that any young, active, black members of consultative groups dropped out, leaving only the older whites. Cdr Alec Marnoch of the Metropolitan Police, himself a member of such a group, concurred with that, and added that it was vital that their discussions should be held in public.

Among other matters – I could fill a page with the points raised – was the "total geographic policing" scheme put forward by Surrey's Chief Constable, Brian Hayes, where officers become more intimately involved in their areas. One feature of this system is more evidence of the "bobby on the beat" that so many people want. Next week's programme will deal with the required personality of the policeman.

Wednesday's *File on Four* dealt with the victims of police efficiency, the inmates of prisons. Report suggests that there is much use of hard drugs in prison, that needles and syringes are smuggled in and shared between users. There is also homosexual intercourse (a prisoner claimed that 51 of his 58 different cell-mates had been with him). Since infected needles and homosexual practice are two major sources of AIDS, prison is clearly a breeding-ground for HIV. Mrs Angela Rumbold of the Home Office could not consider providing disinfectants for needles or condoms for buggers, as this would be to countenance unlawful behaviour. I hope she has heard this programme.

While I am into public affairs, let me draw attention to Radio 1's campaign, *Action Special*, about jobs. Mostly we had short episodes in mid-programme, but on Wednesday there was an hour with a panel of experts, answering questions from a young audience. And while I am into work, on Radio 5 Ed Bishop is reading *Tom Sawyer* daily in the evenings for ten days. Naturally we soon got to the business of painting the fence, and that should keep the listeners avid.

I never listened to *The Village* last time, but a new series of eight began yesterday on Radio 4. I was interested; it's like a more convincing, socially rather higher, *Archers*. We have already met a medium laying a ghost, and we are into bell-ringing (only five bells in the village church). The village is Bentley, in Hampshire, and Friday's train from Waterloo arrives on time. I shall probably go on listening, but no call to write about it until its 50th year. Presenter, Nigel Farrell.

Radio 4's Monday Play was *The Fen Story* by Adam Thorpe. The cited story was told to Brother John, scribe of the *Anglo-Saxon Chronicle*, by a peasant woman, and he includes it in his first entry. It was about an attack on peasants in a fort, an attack probably by the Danes (we are in AD 893); but Sigwulf the Ealdorman thinks it frivolous and orders its removal. John, and the King, want it retained. Later, when Sigwulf has been signally brave, John declines to record it and their dispute continues.

This is a simple version of what Adam Thorpe has made into a complex tale, even starting it in a modern boys' school so that we may know the nature, and the dates, of the *Chronicle*. I found it sometimes hard to follow, but I will try again on my tapes. At any rate it was usually interesting, and there was good playing by Mark Straker as John, Ian Hogg as the Ealdorman and Richard Pearce as John's pupil. Jeremy Mortimer directed.

B.A. Young

Chess No 874:
1...c5+ 2 Ka5(2 Kb5 Qb3+) Qb3! 3 Qe1(to stop Qb4 mate) Rd6! and mates by Ra6 or by 4 Nxd6 Qb6.

Motian at the Jazz Cafe

THE NEAR legendary polyrhythms of drummer Paul Motian attracted a large part of London's musician fraternity north to the Jazz Cafe this week. The reason for this adulation is that Motian's famous past includes collaboration with two of the best respected trio leaders in modern jazz: formerly pianist Bill Evans and later with Keith Jarrett. Now with the quirky partnership of fellow Americans Bill Frisell and Joe Lovano his revolutionary work with the trio format is carried a step further.

They are a fine sight. Motian, shaven head, shades and trainers, appears younger than his 60 years; Frisell, preppy and bespectacled, an unlikely guitar hero and; Lovano, bearded, wearing a bowling shirt, looking more like a darts player than a hot tenor saxophonist.

In a set consisting of originals and compositions from Monk and Ornette Coleman, Motian piloted his soloists with his characteristically studied playing. Skittering across the kit with brushes or beating it out with sticks, he breaks up the beat but simultaneously keeps the time spot on.

On Monday he seemed to concentrate on controlling the dynamics and let Lovano blow and Frisell loose on his effects. For the first couple of numbers it was quite hard to grasp what was going on. By the time they reached Monk's "Trinkle Tinkle", which can be found on the *Monk in Motian* recording, the trio had settled in.

Interaction and the balance achieved between players is what makes a Motian trio so absorbing. But it is exciting too. Frisell especially creates excitement amongst the musos through his use of a custom-built guitar, several pedals and delays. His playing, which involves programming delays to finish in the same place as everyone else, requires the sort of mind which can manage three dimensional chess. But he is playful as well, inserting art rock guitar breaks here and there.

"Chelsea Rendezvous", a Lovano composition, had Motian in the background again while Frisell fiddled around with a complicated delay pattern which ground on like an old Velvet Underground number. Lovano accompanied it in an appropriately and skilfully gloomy manner. Not until "It Is", his own composition, did Motian move up alongside Lovano and Frisell.

But what the Motian trio's treatment of jazz lacks in swing is more than compensated by depth and clarity. It is a sort of chamber jazz which, on Monday's showing at least, rewards intent listening and has long way to develop yet.

Garry Booth

Opera plays musical chairs

Antony Thorncroft goes behind the scenes in the art world

ALONG WITH bailiffs and vets, one other profession with plenty of job opportunities at the moment is that of opera director. Half our leading opera companies are looking for new supremos, which will have a pleasant knock-on effect down the line.

The big job is the director of the English National Opera and the Board wants to choose a successor to Peter Jonas within the next few weeks. Brian McMaster of Welsh National Opera would have walked it but the only role he craved, director of the Edinburgh Festival, with much prestige and the largest salary package in British arts, £75,000, he secured last week.

This leaves the field (and his job at WNO) wide open. One solution would be a dream ticket of that committed modernist Nicholas Snowman, of the South Bank Centre, coupled with a seasoned musical director, like David Atherton, currently in the ENO pit with the well-received *Peter Grimes*.

Richard Mantle, who abruptly quit Scottish Opera last week, must be in line, given his past ENO experience, and the critically admired director Nick Hytner and Elaine Padmore, who made her mark at the Wexford Festival, may have parts to play. Colin Tweedie, after almost a decade of building up ABSA, seems certain to throw his hat in the ring, but Paul Findlay, opera chief at Covent Garden, has been too long associated with the competition to stand a reasonable chance; and Nicholas Payne, boss of Opera North, who would be a strong candidate, apparently prefers country living to a transfer back to the capital.

It is unlikely there will be a successful foreign applicant: the pay, around £55,000, for running this flagship company is pitiful by international standards.

The new director faces some tough decisions. The current season of 20th century opera has been popular with the critics but not the box office manager and there is a tiresome haggle over the lease of the Coliseum coming up fast. If Mrs Holmes à Court, who owns this theatre among many more, cannot be persuaded to continue the current generous rental the ENO's future in St Martin's Lane looks doubtful.

★

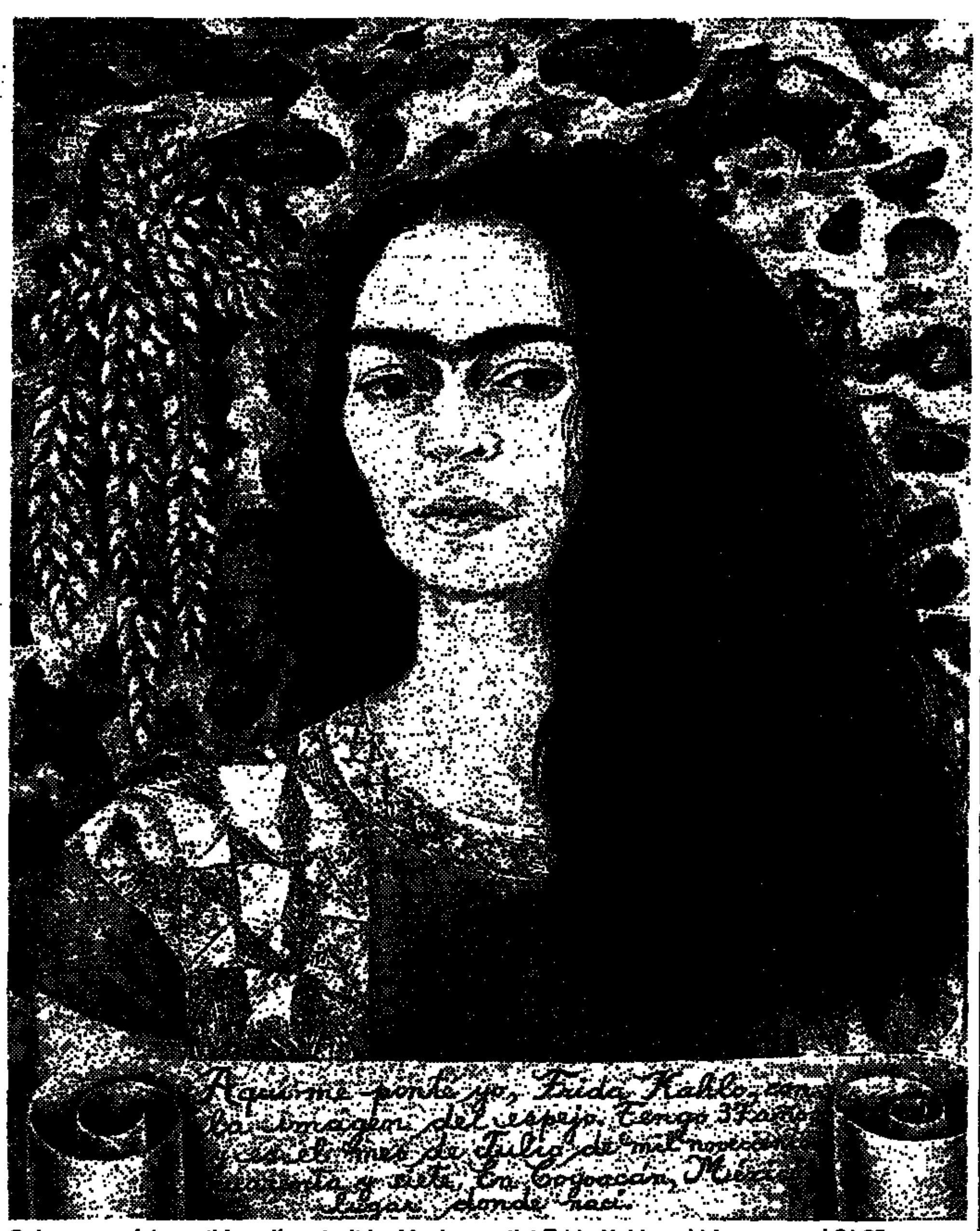
Recession, what recession?. The art market, which lives on confidence, at last has something to shout about, a string of auction records in the last two weeks. They may not be major league stuff – that record £187,000 for a 16th century maiolica dish, or the record $429,000 (£245,400) for a piece of pre-Columbian art, a mask from Mexico, but they are a start.

And some of the records, like the $1.65m (£943,000) for a Latin American painting, a self portrait of Frida Kahlo, or the £1.48m for silver, paid for a Paul de Lamerie dish, are quite respectable. Are the rich feeling confident enough to dabble in art again?

Well, yes and no. The auction houses have certainly done a marvellous job at avoiding disastrous sales by being very selective in what they agree to handle. By last Saturday Sotheby's, for example, had offered 43,000 lots world wide this year as against 76,000 in the comparable period of 1990. By weeding out tired dealers' stock, or mundane items, it had managed to sell 80 per cent of the lots which came under its hammer as against 88 per cent during the boom of early 1990. In the last quarter of last year, when the market was in real trouble, only 76 per cent of lots offered found buyers.

Christie's can actually report a marginal increase in the success of its fewer sales, 80 per cent sold as against 79.1 per cent last year, and certain markets, like silver and porcelain, are way ahead in turnover. Sales of Old Masters might be down from £24m to £19.7m, but the percentage disposed of is up from 82.8 per cent to 91.2. Yesterday, to confirm the better demand, Christie's sold an altarpiece by the 14th century Florentine Taddeo Gaddi for £1.98m, twice the estimate. Its jewels sale last week in Geneva was also a success, making £8.8m. and 94 per cent sold, as against £8.6m and 51.5 per cent sold a year ago.

The conclusion is obvious. Those works of art which have



Salerooms pick up: this self portrait by Mexican artist Frida Kahlo sold for a record $1.65m

been sought after for generations, if not centuries, have proved their quality. The committed collectors keep on buying, the bug is in their blood. Jewels might have some appeal as an alternative investment but the finest silver and porcelain and Old Masters seem cheap when set against the outrageous prices paid in recent years for Impressionist pictures.

And this is the downside for the salerooms. Their turnover is at least a third lower than last season because their biggest market, post-1870 art, mainly by the Impressionists but also by British, Swedish, American artists, which they promoted and nurtured until even the most myopic Japanese businessman was persuaded that life was incomplete without a Renoir or a Monet, is still in the doldrums.

In less than a decade this sector grew from around 20 per cent to almost a half of total sales, and the disposal of paintings by Van Gogh for $82.5m and by Renoir for $78.1m set benchmarks which will not be reached again for years. Now owners are unwilling to entrust their pictures to an uncertain market. The scale of the decline was revealed in the May auctions in New York. Last year Sotheby's brought in $286.2m from its main evening sale: this year just $18.24m. For Christie's the fall was from $269.4m to $23.14m. It will need a great many records among collectibles to make good this shortfall, although the June auctions in London, which contain some fine modestly estimated pictures by Toulouse-Lautrec and Degas, could signal the start of the recovery.

★

For all the hue and cry few established arts companies actually give up. In the last few months Welsh National Opera, the dance troupe Second Stride, and the Liverpool Playhouse Theatre have all been on the brink of closure, but all were rescued. But for London City Ballet a meeting of the Board next week could bring down the curtain.

London City Ballet has survived for years thanks to the generosity of its chairman, oil broker John Hughes, who has poured in millions, and commercial sponsors, who provide £800,000 a year. Constantly high audiences around the country have ensured a high box office income. But Hughes believes the LCB deserves an Arts Council grant.

This has never been forthcoming and a meeting on Thursday with the Arts Minister, Tim Renton, and the Arts Council chairman, Lord Palumbo, was inconclusive. There was a vague promise of jam tomorrow but it is likely that Hughes and his Board will not be prepared to nurse LCB through another year. Redundancy notices have already been issued and it seems LCB will expire on June 30.

Lost in the Stars

Paul Driver on Weill at the Brighton Festival

THE BRIGHTON Festival is drawing to a close with six performances staged by New Sussex Opera at the Gardner Centre, Falmer, of Kurt Weill's Broadway musical, *Lost in the Stars*. The first – falsely billed as the work's European premiere – was on Thursday night, and there are two more performances today and two tomorrow.

Weill wrote the piece – his last – in 1949 to a book and lyrics by Maxwell Anderson adapted from Alan Paton's 1948 novel of South African racial desolation and comfort, *Cry, The Beloved Country*. Like the pacifistic *Johnny Johnson*, Weill's first American essay, recently given a concert airing in London, it is a musical with a serious theme. It is subtitled, indeed, "a musical tragedy", and in this low-budget production by Keith Warner, conducted by Lionel Friend, came over both as an engaging entertainment and a statement of considerable moral passion.

The moralism sometimes teetered on the edge of mawkishness, but remained convincing, at least on the dramatic, spoken level. Musically I found the work somewhat disappointing, poorer of inspiration and less satisfyingly structured than *Street Scene*, its immediate predecessor in the Weill canon. Perhaps a snappier band would have made a decisive difference? Nevertheless the second act Entr'acte was atmospheric and appealing.

Of the vocal numbers only two stood out for me, and they (Act 1's "Trouble Man", Act 2's "Stay Well") are both allocated to the character Irina – poor woman of the townships – and were sung by the estimable Hyacinth Nicholl. The principal character, black pastor Stephen Kumalo, has the title song and a couple of others, but as rendered in the untrained voice of Ewart James Walters – all resonant solemnity and no intonation – they scarcely stopped the show.

He was a sympathetic enough actor, however; while Tony McPherson wailed powerfully in the non-singing role of Stephen's son Absalom, in whose nobly desolate refusal to evade conviction for the murder he has committed the piece finally discovers a possibility of comfort and racial reconciliation.

Most impressive perhaps was the chorus, both the black contingent (Church of God Prophecy Choir) and the white (New Sussex Opera Chorus): "Fear!" in the first act and "A Bird of Passage" in the second were splendidly brought off. Spyros Coscinas devised a simply functional wooden-beam and wire netting set, which could as easily accommodate a prison pen as a chapel. Saul Reichlin, who acted both the murdered man and the Judge, was also dialect coach: South African accents were rather done to death. Keith Warner's production made particular use of backdrops formed by standing or sitting persons, and of the unfurling of long strips of black cloth and of white. The Gardner Centre, I am told, is in imminent danger of being reclaimed by Sussex University in whose grounds it stands. That would be a great loss to the Brighton area.

Handsome Hindemith opens the Maggio

William Weaver hails a rare production of 'Cardillac' at the festival

THE OPENING production of this year's Maggio Musicale – 54th festival in this impressive series – was Paul Hindemith's three-act opera *Cardillac* in the original 1926 version, given in German with Italian titles. The work has had only five previous Italian productions, including a radio performance, an imported staging from Cologne, and – the Italian debut – a hearing at the Venice Biennale in 1948.

It can therefore rightly be called a rarity, a piece perhaps suited more to festival conditions than to the regular season repertory, and, despite some external difficulties, the Maggio succeeded in mounting it handsomely, a presentation worthy of the work and of the Maggio's noble history.

Instead of setting the opera in the age of Louis XIV – period of Ferdinand Lion's libretto and of the E.T.A. Hoffmann story that inspired it – the producer Liliana Cavani with her designers Dante Ferretti (sets) and Gabriella Pescucci (costumes) created an art-deco ambiance of glass brick and chrome, Bauhaus chairs and neon signs. Cardillac's atelier became a smart jewellery shop where Marlene Dietrich or Kay Francis might have entered at any moment: and the joyless streets could have seen Peter Lorre lurking at a corner, waiting perhaps to meet Conrad Viedt.

In this visually consistent and stimulating environment Cavani devised coherent movements, especially for the chorus and supers: the drama of Cardillac, of the dedicated artist murderously jealous of his own creation, was played out against a background of passers by, a crowd often indifferent or only superficially involved. This shift of period, true, robbed the story of some of its fable quality, but Cavani did not aim at stark realism either, and her stylisation added an extra, surreal dimensions to the action.

The conductor Bruno Bartoletti has a special affinity for the music of the between-the-wars period, and with admirable insight and sensitivity he let Hindemith's complex score unfold, not attempting to smooth away any of its angularities or to romanticise any of its sometimes chilly intellectualism. Hindemith's opera often has the intimacy and intensity of chamber music, and the solo instruments – especially the winds – glowed under Bartoletti's direction, while the ensemble was always crisp, lucid.

One of the Maggio's worst problems this year was the unavailability of the Teatro Comunale. Often target of complaints (and surely one of Italy's least attractive opera houses, rivaled only by Rome's Teatro dell'Opera), the Comunale is at least spacious and comfortable. Its chief substitute this year is the more cramped and even less charming Teatro Verdi. Dating from 1854 (and formerly known as the Teatro Pagliano, after its first proprietor), the Verdi has undergone various alterations in this century, the most serious in 1950, and for many years it housed revues. Its dubious acoustics, while they did not dispel the warmth of the orchestra, seemed to drain the voices; and though the singers sang loud, the sound was usually hollow and not always pleasant.

In the title role the Belgian baritone Marcel Vanaud was a lumbering, ponderous but effectively obsessed Cardillac; and Ashley Putnam was his tormented, yet radiant daughter. As the raddled, sexy Lady of the first act, Carol Neblett was blowsy of figure and of voice, and totally in the part (her blood-red boudoir was a particularly splendid and appropriate set). The Officer, suitor of Cardillac's daughter, was Barry Busse, who sang ardently; and the Knight, suitor of the Lady, was equally well delineated by Salvatore Ragonese.

Hindemith's youthful piece retains an undeniable fascination. Wilfully, it eschews every easy effect, every sort of aural seduction, but it still impresses by its clarity and honesty, its skill and its distinct personality. The elegiacal finale was deeply moving, at the end of a carefully thought-out and intelligently executed performance.

This is the first Maggio under the direction of Massimo Bogianckino, who having resigned as mayor of Florence has assumed – or rather returned to – a position hardly less fraught with difficulties. This year's festival is clearly one of transition, of settling in; but it has begun well, and while the programme is not as rich and stellar as on some past occasions, it gives the Florentines and the city's more alert visitors plenty to listen to and think about.

Berlin ups its bid

THE BERLIN art scene is livening up as the city appears to be launching a bid to become the new capital of contemporary art. Gallery and saleroom activity suggests that a claim is being staked, especially now that New York has hyped itself out of the pole position it held since the 1940s.

Sotheby's holds its first Berlin auction of 20th-century German Art (up to 1950) on May 30. The star lots include *Tiger-Lilies*, a powerful Max Beckmann of 1937, estimated at £350,000; a ravishing Emil Nolde of *Poppies and Blue Lupins* at £220,000 and a 1923 Pechstein of *Girls on a Beach* at £200,000. A Wilhelm Lehmbruck terracotta *Bowed Female Head* estimated at £70,000 tops a list of sculptures by Kolbe, Barlach and Gutfreund.

Designed as a market-tester, Sotheby's have thrown the net wide this time with Symbolist, Expressionist, Neue Sachlichkeit and other styles in evidence. The sale takes place at a restored neoclassical palace on the legendary Unter den Linden, until recently across the wall in the Eastern sector.

The German art market has ridden out the 1989/90 storm better than most and Sotheby's Berlin director Josef König believes that treasures will soon emerge from hiding in the East: "For more than 40 years there has been no art market. People don't know what it is and how it works." After 1945, art could only be sold through state channels or in undercover deals out of which party officials took their cut.

Until now the leading Berlin auction-house, Villa Grisebach, has most to lose from Sotheby's arrival. But it will be hard to dislodge and the market may expand to the benefit of all. For its spring sales Grisebach has 800 lots on offer (compared with Sotheby's 100) and many buyers will keep their powder dry for its auctions on May 31 and June 1: the first sale includes Lyonel Feininger's *The Proposal* of 1907 and Emil Nolde's *Young Man and Girl* of 1919, both estimated at £300,000; some fine Kirchner watercolours and impressive works by Baselitz, Baumeister, Smmendorf and Nay.

Christie's will be watching events from their smart new offices in Fasanenstrasse before deciding when and where to take the plunge. To entice the sellers, it has decked its walls with reproductions of works by German artists for which they achieved world records – Cranach, Zimmerman, Nolde and Kirchner among them, which appears to be working.

In the contemporary field, the milestone *Metropolis* exhibition at the Martin Gropius Bau (until July 21) shows 72 artists from 20 countries that curators Norman Rosenthal (of the Royal Academy) and Christos Joachimedes regard as significant for the 1990s. The reactions to the show, though mixed, have moved Berlin right into the spotlight.

Meanwhile, the majority of the 250 public and private galleries in Berlin show work of German and Russian origin. Galleries come and go but the total keeps growing. For ten years the Natan Fedorowski Galerie at Leibnizstrrasse 60 has been the leading Berlin outpost for Russian avant-garde art. Until June 8, it has a show of haunting pictograms by Andrej Wagin, a Russian whose allegiance to Malevich and Suprematism is apparent at every turn.

A more international climate is developing with the arrival of Galerie Frank & Schulte from Geneva which opened a branch at Mommsenstrasse 56 last month with Rebecca Horn's Chorus of the Locust (open until June 1), an installation or two-part motet "sung" by glasses and typewriters.

Moving Germany's political capital to Berlin would further enhance the city's cultural status, but even without that its resurgence as art capital, at least of Germany, may be irresistible.

Robin Duthy

Married to a monster

Andrew St George explores the Stalin psyche

CHURCHILL SAID of Stalin in 1942: "In spite of everything I'd like that man to like me." Stalin made personal and political power synonymous. He was responsible for the death of 24 million Soviet people; so how did he treat his wife? Stalin married Nadezhda Allilueva in 1919; he was 40, Nadezhda 18. She killed herself when she was 30.

Olga Kuchkina's *Reality & Dreams* at the Offstage Downstairs theatre fixes on two moments – the eve of the wedding, and the day of Nadezhda's suicide – and uses marriage as a vehicle to explore the Stalin psyche. This is the British premiere of a play from the post-glasnost Soviet Union. It raises the issue of the extent to which, like Churchill, one can be fascinated by Stalin, however much one knows. It also raises the question of his wife's role as his secretary: did she know of his programme to "Russianize" the Soviet Union? how much indulgence can one give them both?

Kuchkina's Stalin loves his wife for the trials she has not been through; and she loves him for those he has. In this meeting of innocence and experience, Stalin seems relieved to have found someone beyond the reach of his reputation. Domestic life is a hell of games playing: brutal, violent and always to win. Stalin comes across as a man bent on victory in everything, quick to despise the vanquished. As they argue, she relies on vicious sarcasm, he on flat logic applied indiscriminately. The marriage is also a match between intuition and rationalism: she speaks of "human sentiments", he of the lessons of "life, logic and struggle." And here, Stalin is a frightening figure almost entirely without self-consciousness.

Stalin and Nadezhda are wonderfully portrayed by Paul Arlington and Kate Isitt. Both cope admirably with the range of emotions and with the technical time-shifts which Graham Spicer's direction requires. For Kuchkina presents the two scenes first as dreams, then as reality. The result is a perplexing, absorbing play which releases information, its chief commodity, rather idiosyncratically.

The play's structure heavily taxes one's knowledge of the Soviet Union between the wars: perhaps this was no problem for the Moscow audience. However, history aside, once one knows that part of the action is a dream, one cares less; the dream interchanges lack point because at any time they might either end or wander off into more dreaming. This is a psychological rather than a historical journey in search of Stalin's inner life.

In the end, whatever one learns of Stalin, the more understandable Churchill's fascination becomes. This play rightly shows that Stalin's world view rested on implacable, inhumane logic. When in 1942 Churchill raised the question of the collective farms and the Kulaks, Stalin replied: "Most of them were liquidated by the peasants, who hated them. Ten millions of them. But we had to do it to mechanize our agriculture. In the end, production from the land was doubled. What is one generation?" This play shows how it was possible for him to say that.

Parsifal comes to Finland

Richard Fairman finds the Finns busy building with Wagnerian fervour

IN A RECENT newspaper article one of Finland's leading writers let fly against the building of the new Opera House in Helsinki, citing all the usual arguments of cost and wastage of public money. Even in Finland, which has a noble tradition of state subsidy, it seems opera is fighting an uphill struggle.

In this case the protest was pure mischief-making. The building itself, on Töölö Bay, is already well under construction. The outer shell is virtually complete, while the two opera stages and the spacious public areas inside can easily be made out, with a magnificent frontage of windows looking out over the water.

This is one of three new cultural centres (the other two are already finished and in operation) that I visited this month. It would seem that the late 1980s in Finland have produced a burst of activity, in which each city seems determined to outdo its neighbour in the scale of its public facilities. For all three buildings are uniformly bright, spacious and lavishly well appointed.

My visit took me primarily to the new hall at Tampere, north of Helsinki. This city, described as "the Manchester of Finland", is making the transition away from its traditional economy, based on the textile industry. The population is under 200,000 and yet it has found the communal will and resources to build a major new hall which will function equally as a conference centre and arts complex.

The building is in what one soon comes to recognise as the dominant Finnish architectural style of the day. The emphasis is on natural light and a feeling of open-air freshness. The interior is all-white, broken only by the use of a light Finnish wood, and a wall of glass in the main foyer overlooks the gardens outside, just as it will do at the opera-house in Helsinki. The main auditorium, seating about 1,800, is equipped with every possible facility, acoustic and otherwise – a good thing, considering Tampere's ambitious choice of programme.

The hall's income may come from conferences; but its prestige is earned by the big cultural events. What I saw there was a new production of Wagner's *Parsifal*, thought to be the first complete staged performance in Finland, certainly the most widely anticipated. Though not of international standard in every department, it was one of those events that made the best of its resources and ended up giving a performance with which many a more famous house would be content.

In one respect, at least, it would be difficult to better. Outside Bayreuth, there can be few theatres with an acoustic more congenial to Wagner. The orchestra, of local origin and not itself of the first-rank, was enhanced by a rich and open sound-quality that made the climaxes resound on a truly Wagnerian scale. The voices, too, seemed to belong to gods and giants.

Singers must love the place. And it was, indeed, the soloists, all Finnish bar one, who were the strength of the evening. The outstanding single member was Jorma Hynninen, a deeply-moving Amfortas. Matti Salminen made an powerful Gurnemanz, not calmly wise and venerable, but a positive figure, who imposed himself on the action with the force of his vocal personality. Raimo Sirkiä sang Parsifal well, though with minimum involvement; he is not yet the answer to the Wagner tenor problem. Karan Armstrong, the production's only guest, would have made a telling Kundry if she had not struggled so with the top notes. Astonishing to think that she sang Berg's Lulu in London.

Any serious doubts about the evening centred rather on the production, designed and produced by Claude Naville. On a very small budget it looked alright, if one was prepared to accept the vagueness of its filmed projections of shifting sands dissolving into stars and candles. Nor was its avowed intention to play *Parsifal* as a tract against suffering in war objectionable in itself; but as soon as it tried to focus on the Iraqi war in particular, the production invaded dangerous territory. Trying to equate the events in Wagner's religious epic with those of the present-day Middle East, given that region's complexity of warring factions and ideologies, is a perilous undertaking. There was no Good Friday magic spell here. When the spring music arrived, all we saw was a bird drowning in oil.

The best thing was to enjoy the visual effects and try not to think more than necessary. Leif Segerstam led a measured performance, erring on the side of solidity, which did not hinder his singers from bringing the drama to life. The audience seemed content, as well they might, nestling down into their luxuriously padded seats with head-rests. If Bayreuth was half as comfortable, how many Wagnerians there would stay awake?

The third hall that I visited was the new Cultural Centre at Espoo, a town proud of its independence, though it is effectively these days a suburb of Helsinki. Completed in 1989, this is also a multi-purpose complex with theatre, library, adult education unit and exhibition facilities in addition to the concert hall. Again the style is modern Finnish, dazzlingly white and open, with fine public areas that look out on to a lake.

The hall brings in touring engagements for most of the time, though it is starting to build up festivals of which it is itself the originator. This year has seen the start of a new piano festival, which will become a bi-annual event.

Espoo was unlucky that the opening night of the festival coincided with Tampere's *Parsifal*, as many of its potential audience had headed north for the local Wagnerian rarity. I saw a recital by the French pianist Pascal Devoyon on the second night, which was enthusiastically received. Beethoven and Liszt made up the first half of the programme, Ravel the second; and it was with his native French music, the Sonatine played with uncommon depth, *Gaspard de la nuit* at once poetic and sinister, that Devoyon won his ovation.

Another day, another concert hall. It is impossible to think of another country that puts its money where its music is so wholeheartedly. Notwithstanding that lone correspondent in the Helsinki daily, that is.

She mustn't grumble, must she?

***Dominic Lawson** on why Thatcher got off lightly with a recent interview*

NOT the least remarkable thing about Mrs Thatcher in her 11 years as *prime minister* is that she never said *anything* remarkable or even memorable. Her actions were both those things but her public *utterances* were banal, even bathetic. No wonder we were all so astonished by her recent interview with *Vanity Fair*, the American glossy, in which the miserable ex-Prime Minister was quoted as saying "home is where you come to when you have nothing better to do."

This poignant remark was sent around the newsrooms of Britain by *Vanity Fair's* UK PR company long before the full text of the *interview* was available; it became the quote of the week in every newspaper in Britain and feature writers rushed into instant criticism of Thatcher's deep hypocrisy: here was a woman who preached the value of home and family yet herself saw them as the least important things in her life, etc.

Now Thatcher's office has circulated a full transcript of the interview, with one Maureen Orth. And *it transpires that Thatcher was not* talking about herself at all, but her *children*: "Sometimes *if something* happens, and we don't see the family as often as we would wish, and they go off and I say 'well, look, home is where you come to when you haven't anything better to do. We are always there'." In other words, very much like any normal mother of adult children.

We are in the business of selective quotations here and it is a messy one. The technique of picking out one or two quotes out of a much longer conversation, to turn the sense completely around, is one which pre-dates even journalism. It *is particularly popular* with politicians. Perhaps Saddam Hussein was the *best recent exponent*, leaking very *selectively* from a conversation he had with the former American Ambassador in *Baghdad*, April Glaspie. We all remember now her remark "we have no view on Arab-Arab disputes" which Saddam joyously quoted to justify his invasion of Kuwait.

Yet the full text of Glaspie's remarks included several clear statements that America was greatly concerned about Iraq's intentions towards Kuwait. But who will *remember* that? Glaspie, like Thatcher, is doomed to be *quoted out of context for the rest of* her *life. And beyond. Both Glas*pie's remark and Thatcher's will, I *am sure, find their way into future* anthologies of quotations.

The British press is frequently said to be the most unscrupulous in the world but the practice in America, as Thatcher found out, is, if anything, worse. A few years ago, Janet Malcolm, an American journalist, wrote an article, later a book, on Jeffrey Masson, then keeper of the Freud Museum. She quoted him as *saying* that he wanted "sex, women and fun" to be *part of the activities of the museum*, when what he *actually* said was "there should be people here, *that's what it needs*", and further quoted him saying his relationship to *Anna Freud was that of* "an intellectual gigolo – you get your pleasure from him but you don't take him out in public." What he really said was: "I was a private asset but a public liability." When Masson, who lost his job as keeper of the museum, sued Malcolm, one judge, incredibly, decided that, though Masson had, indeed, not said what he had been quoted as *saying in these two examples*, "just because something is in quotes, it doesn't have to correspond exactly to what he had said."

After that example, it's clear that Thatcher got off lightly – at least, Orth did not make anything up. And I don't think we should see Thatcher as a complete innocent. *Why did she do the interview with Vanity Fair*, rather than an English newspaper *of more* serious political repute? Because, apparently, the *Thatcher Foundation* was at that time seeking funds in America and she needed publicity *in that country*. In the end, politicians, like actors and writers, agree to interviews only because they have something to sell. They are trying to manipulate the press and they find it hard to take when the press ends up manipulating them.

■ *Dominic Lawson is editor of the Spectator.*

A gentle man, a gentle place

Lucia van der Post meets François Spoerry, the man who designed Port-Grimaud

"PASTICHE," said the critics when Port-Grimaud, the lagoon-city in the south of France, was first unveiled in 1967. "Clever, of course," they added, "but really . . . so fake, so uncontemporary."

THE architectural journals *largely* ignored it. If it had been a new play it would have closed overnight. In short, it was a professional no-no. But François Spoerry, the French architect who created it, was, and is, unrepentant.

Even now, *many years on, sitting* in London's Grosvenor House hotel on a sunny spring morning, the perfect picture of a successful *hommes d'affaires* in blazer and carefully pressed flannels, he remembers what drove him on. "I hated the brutal, aggressive and mediocre buildings that were disfiguring our *land. I always had this feeling that* the person who mattered to me was the man who would live and work in the buildings I put up, as well as the visitor who would see them. I wasn't interested in building just to please my fellow-architects."

But in his new book, *A Gentle Architecture**, he makes clear that there was a price to be paid for going against the mainstream. "I was destined to suffer cruelly," he writes, "both intellectually and physically, from the infatuation of my contemporaries with his [le Corbusier's] style of modern architecture."

He feels, however, that he was lucky to be taught before le Corbusier fever really caught on. "I studied at the Beaux Arts," he tells me, "just before the war when it had not yet been infected with the new *thinking*." By the time he came to practice just after the war le Corbusier's ideas were the accepted orthodoxy that nobody dared go against.

"He was so dangerous because he was such a very talented man. He used words like a poet. Phrases like *'la cité radieuse'* caught the imagination of the young architects. He was intoxicated with the new means of construction which enabled architects to build up to the 24th floor and he aimed to use them to conquer the sky. But he was arrogant . . . oh, so arrogant. The public were excluded from the debate. No other thinking was allowed and two generations of architects were poisoned with his thinking. We see everywhere the results – in France the awful riots in the red belt around Paris where low-income families are herded together in hateful buildings. Corbusier, you see, believed in zoning. But it is not natural that low-income people should be herded together into ghettoes like that."

Port-Grimaud, some 45 kilometres west of Nice, is Spoerry's first and most famous manifestation of everything he believes in architecturally, and today he is the undisputed master-creator of the lagoon-city. A sailor himself before he ever picked up a set-square, he began dreaming of houses intertwined with water when *as a small boy he* saw a model of a medieval lagoon city in Zurich museum. However, getting Port-Grimaud off the ground was not easy. Everybody he approached for money refused to invest. Everybody thought it was doomed to failure. He became financier to the project as well as architect, *town-planner and master*-builder.

His dream was far from vague. He seemed to have a very clear vision which he described even before a brick was laid. "Port-Grimaud," he writes, "was born of my longing to have a little house right on the sea, with a boat outside the door. But *what I want to create is not a soul*less housing estate by the sea. I want to build a *proper village with* a heart, a church, a market place and a town hall. My village will claim descent from the villages of the past, from those ancient quiet places which, for generations, have been home to peasants and fishermen all over France."

And that was what he created: the first large-scale project based on a vernacular form of architecture, a *small town planned round* a system of curving dredged canals, each *with its own mooring and garden*. He paid great attention to detail, *believing that quality of detail was* essential to creating an harmonious, pleasing environment. He oversaw everything from the mosaics in front of the shops to the lanterns, lamp-posts, name-plates, benches . . .

Cars had to be *left outside* the town; inside the Cité Lacustre, as it *came to be called, people went* about their business by launch or *sailing boat. By using a system of* peninsulas and canals, rather like the fingers on a hand, every house had a view over the water and its own mooring. Old, traditional components like beams and flooring, roof-tiles and bits of wrought-iron, salvaged from buildings in Provence, were incorporated into the *buildings. For his colour-palate* he looked to the traditional pastel-coloured *Roman and Genoese tiles* whose "ochre and straw tints weathered by time" all contribute to the harmony of the whole. All the "non-harmonious" technology and mechanics that modern-day living demands are housed underground and out of sight.

The first four-bedroom houses with 40 ft of mooring came on the market in 1967 at between £7,000 *and £8,000 (today they go for about* £250,000) and from the first day, he tells me, "it caught on like a fire." While the architectural journals were busy *ignoring* the scheme, the public was voting with its purse and buying the houses almost as they came on to the market, giving Spoerry the finance he needed to fund the next tranche.

Most of those who came to mock failed to look closely *enough*. As John Prizeman, an architect who is *well-used to working outside* the mainstream, puts it: "They were *really objecting to the style*, which is only a fraction of what building a town is about. What they failed to observe was how extremely well-designed it is, how well it works. It is actually very hard to bring off this kind of architecture. Technically, too, *it* is excellent.

"The use of space inside the *houses is brilliantly done. It has* the solid quality of peasant architecture where everything is built for maximum longevity, for minimum effort and minimum waste. To set out from one of the houses in a little boat to pick up your morning loaf of bread is a joy."

There *it sits today*, a *charming*, busy, thriving marine city where *people can sail and holiday and* work. It is hard to believe how extraordinary it seemed in the days when there was only one religion, le Corbusier's. So much have times changed that, as Francois Spoerry says, "nobody now can sell a modern house in the South of France, everybody wants houses built in the *vernacular style*."

But surely, I ask, you cannot be against all innovative architecture? "No, of course not. I think there are really two kinds of architecture – what I call *'majuscule'* for palaces, monuments, official buildings, and then there is domestic architecture for the homes and offices that *people live and work in. For 'majuscule'* architecture I could be happy with avant-garde, adventurous ideas, though I see few that I like."

Is there nothing that pleases you? "Oh, yes, of course there are some. I am not always against high-rise buildings – though I do not think anybody is really happy living in *them – but I think some of Skid*more, Owings and Merrill's buildings in New York are wonderful and I like Saarinen's TWA air terminal in New York. Philip Johnson's glass and steel structure in Pittsburgh is sublime and I like the Pei *building in Hong Kong as well as* his pyramid in the Louvre. He is an architect of the highest quality.

"I am not now so depressed about the future. Things have changed enormously. For one thing there are several schools of architecture producing very *different sorts of ideas* whereas 15 years ago there was only the one religion. Now many architects are influenced by what we are doing, especially in residential architecture. So there the worst is passed for the moment but I *think official architecture and town* planning is still very bad. There is still much of what I call arrogant architecture – for instance in the old town of Nîmes there is a small Roman temple, la Maison Carré, completely intact, and Norman Foster won a competition to make a brand-new building just close to it. It is an abomination.

"Town planning, though, has been a disaster ever since the war. It is more important than architecture because a well-planned city *with architecture that is not perfect* can still be a good place to live in – if you have good circulation, fast connections, good gathering places and well-placed parks and fresh air. Some of the rows of plain houses you have in England make conge*nial places for people to live even* though the architecture is not itself distinguished."

Today he is nearly 80 but shows no sign of slowing. He lives in Port-Grimaud for much of the year – "my office is five minutes from my house by launch and I take my boat out every day." His *atelier* is small (about 10 architects in his office in Mulhouse and 15 in Port Grimaud) but he has some 40 projects, many of them very large, under way. There is Port Liberté in New York, Port St Martin in the West Indies, Puerto Escondido, Port Lisa, pro*jects in Egypt, Japan, Australia, but* nothing, so far, in England.

Wherever he builds *his motto is* the same. It is taken from the words Paul Valéry gave to Phèdre in Eupalinos and the Architect – "among all the buildings which constitute the town, some are dumb, some talk, while others, and they are much rarer, sing."

"We want," he tells me, "to create an *architecture which will sing*." Bring him here, quickly.

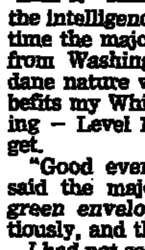
**A Gentle Architecture* by Francois Spoerry, £16.95, is published by John Wiley & Sons in association with Pheon Books, Chichester.

Claude Gaspari

Spoerry at Port-Grimaud: a manifestation of everything he believes in architecturally

A major story lost in space

Michael Thompson-Noel



I WAS *settling* down to watch *Coronation Street* this week when there was a knock on the door and there stood my friend from the US embassy in London, the intelligence *major*. From time to time the major brings me messages from Washington of an ultramundane nature whose momentousness befits my White House security rating – Level 11, as high as you can get.

"Good evening, Colonel Mike," said the major. He handed me a *green envelope, saluted surreptitiously*, and then disappeared.

I had not seen the major, or heard from the White House, since last December, when I won kudos all round by reinterpreting (just in the nick of time) the cockamamy data *flowing from Nasa's Hubble telescope*.

I opened the envelope. The message was a request from the White House to speed to Downing Street for a meeting with the prime minister *and to discuss with* him, as Washington's emissary, his new-sprung belief in the existence of UFOs.

"Just what I *need*," I *thought* irritably, as I flicked off the *TV* and dodged into the ebrious haze of a typical London evening.

As I explained last December, the White House has confused me with *someone else. Otherwise it would* not have promoted me to Security Level 11. The confusion clearly stems from my (genuine) rank as a Kentucky Colonel, bestowed on me, with pomp and ceremony, in June 1977 by Governor Julian M Carroll. *The harder I try to clear things up* the more ravelled I become in this peculiar entanglement.

The prime minister was waiting for me in his peach-hued sitting room. He looked as grey as ever, but his eyes gleamed like twin suns *as he peered from behind a stack of* files marked Secret, Top Secret and Ultra. (Internationally, there are *24* categories of secrecy *above* Ultra, but I thought I would not burden the PM with such an observation).

"Good evening, Col Mike," he said. "I know you are busy, so I will dispense with the preliminaries and *come to the point with rapidity. I* trust you will convey what I have to say to the president in Washington with an element of despatch, because what I have discovered has ramifications for all of us on Earth – or even those off it, such as Britain's first cosmonaut, Helen Sharman, whose arrival at the Mir *space station this week aboard the* Soyuz TM12 capsule marks the sort of achievement with which my administration is jolly proud to be associated with.

"UFOs, Col Mike. That is what I want to put to you. I have been studying the files with diligence and have arrived at the belief that *the evidence for UFO visits is now* incontrovertible."

I said nothing. Moved not a muscle. Studied my shoes (brilliantly polished, I was surprised to note).

"It strikes me," said the PM, "that *a vast number of opportunities* are draining away into the sand without our *lifting a finger to help* ourselves. Take Dr Leopoldo Diaz."

The PM rummaged in a file. "In October 1976 Dr Diaz, a pediatrics and anaesthesia specialist, was executive director of the Hospital del Ferrocarril del Pacifico in Guadalajara, *Mexico, where he was asked* to examine a stranger. The stranger was 5ft 2in *and hairless. He said he* was 84, though he seemed to the doctor to be in his 40s or 50s.

"Suddenly, the stranger announced that he was not from this planet, but had come to give us information. He said that he and his *people had approached government* officials and scientists, but that many were arrogant. 'They don't want to hear; they don't want to change.'

"Then the alien told the doctor that Earth would soon have to find *a new energy source*. 'It is very easy,' he said. 'It is possible to get tremendous energy if you know how to dissociate electrons; in this way you can have the free energy you need without contamination or *pollution*.'"

I stifled a yawn.

"Do you know what happened?" asked the PM. "Dr Diaz went to New York and met people *at the UN, in* the office of Robert Muller, under-secretary for economic and social development. Muller circulated details of Dr Diaz's report, but no-one responded. No-one would listen. *Nothing happened. The alien disappeared.* I find that incredible. We have got to develop much better systems for grasping these opportunities so as to liberate mankind."

"Prime minister," I said at last. "As chance would have it, I have *spent many hours pondering the* UFO phenomenon, and have reached the *opposite* conclusion. We don't have UFOs, just UFO reports. We have no evidence whatsoever – just psychobabble and the ceaseless churning of our own imaginative *brains. That's where all this stuff* comes from, you know, the cerebral cortex, just like everything else: religion, art, war, love, recipes for tripe soup, *Match of the Day*."

"Jimmy Carter saw a UFO," said the PM sharply. "So did Ronald Reagan. *It's all down on file, Colonel.* What is more, I myself have seen *some bright lights* recently – not a vision, as such, but spots of orange light flickering and shimmering and dipping over Whitehall."

"Prime Minister," I said. "Haven't you got bigger *things to worry* about? The election, for instance?"

"*What election?*"

"The one that you're supposed to *call* any day soon."

The PM smiled brilliantly.

"We haven't got time for one of those," he said. "That's what I want you to tell George Bush – that democratic elections are messy, costly and dangerous. We've had quite enough *elections to last* us this century. There are numerous *other matters* that need our attention urgently. Tell George Bush that we should postpone all elections until at least 2000. There'll be no harm, Colonel. Just you wait and see."

HAWKS & HANDSAWS

Every dog has had its day

***John Willman** on why Fido's days are numbered*

ONE *HUNDRED* years ago it was socially acceptable to take laudanum. Cigarettes were distributed free to the armed forces during the Second World War. Until four years ago, supermarket shelves were piled high with aerosols containing CFCs. Today, owning a dog is not yet a *sign of moral* turpitude – but it soon may be. The current furore over "*devil dogs*" *is only* the latest sign of the decline and fall of man's best friend.

My children already regard smoking as irrational behaviour *on a par* with indecent exposure. Their children will be as mystified by an era when 7m dogs evacuated their bowels on the pavement. They will gasp at the 250,000 people bitten each year by dogs – more than 7,000 attacks on postmen alone. Arguments will rage over how a nation which described itself as dog-loving could put down 1,000 unwanted *dogs every day*. Archive film of Barbara Woodhouse will be viewed *with the* hilarity now reserved for wartime films on how to make an *appetising stew out of snoek*.

Dogs polarise opinion in much the same way *as smoking*. A *gulf* similar to that between smokers and non-smokers separates those who own dogs and those who don't (I hesitate to use the term dog-haters – mostly it is the owners who are the problem). Both involve a clash of rights: your freedom to enjoy a cigarette after a restaurant meal infringes my desire to eat in a *smoke-free environment*; your dog affords protection and companion*ship but forces me to perform* hopscotch in the street and restrain my *children in the park*.

Non-smokers have won their bat*tle* and the smoker *is* becoming an endangered species. Those who do not own dogs are still battling it out with the dog-owners, but the Government's intention of criminalising certain types of dog ownership may mark a decisive victory in the campaign. (To minimise the quantity of hate mail, I should like to say that I regard the destruction of tens of thousands of dogs as a rather more final solution than is strictly necessary. The tabloids proposeth; the home secretary disposeth.)

The writing on the wall for *canis familiaris* first appeared more 15 years ago in Burnley, Lancashire, when the council *restricted dogs in* two parks. The councillors can hardly have expected the battle which ensued, as dog-owners mobilised to defend what they saw as their rights – one even serving a jail sentence for the principle. The restrictions were fought in the ballot box at council elections; a legal challenge went to the House of *Lords; and dog owners espoused* civil disobedience with a tenacity.

Other councils followed suit, spurred by reports of blindness and lesser upsets caused by the *toxocara canis* roundworm, the eggs of which lurk in dog faeces.An incentive to clean up was provided by the £5,000 compensation paid to a seven-year-old girl by Blackpool council *in an* out-of-court settlement after she was *blinded* in both eyes by *toxocara* picked up in a local park. "Dogs' WCs" sprung up in public parks, with dog-free zones (only slightly more effective than nuclear-free zones) and bye-laws on fouling the streets.

Keeping an aardvark requires a permit but anyone can buy a dog

Each step to restrict the freedom *of dog-owners produces local civil* war of great ferocity. My own part *of south-east London is blessed with* two small parks, both until recently freely used by dogs (with or without owners). The council proposed confining dogs to one park to allow the other – which has a children's playground – to be dog-free. Most houses in the area, it should be added, have gardens large enough to exercise the hound of the Baskervilles.

The dog-owners declared war, with an intensity normally reserved for national threats such as EC legislation on the length of cricket pitches. Indignant meetings challenged the council's mandate and *promised poll tax boycotts. Dog* owners uprooted signs and fly-*posted the parks. Those who sup*ported the measure were subject to a measure of personal abuse and acrimony. The council persisted: the dog-owners – many of them law-abiding citizens who would sooner die than not pay their TV licence – *defiantly* walked their dogs together.

This small episode suggests the scale of the rearguard action the government can expect over its rather more draconian proposals for curbing dangerous dogs. The dog lobby in the UK is at least as vociferous and well-organised as the gun lobby in the US. One much-quoted owner describes her dog as her baby and, with no sense of irony, has threatened to go to the European Court of *Human* Rights in defence of her canine offspring.

In theory, British dog-owners should enjoy a sympathetic hearing in Europe. The French own even more dogs per head than the British; they are also more indulgent to their dogs, tending to talk to them as rational individuals. *Paris streets* are as prone to poop as London's, although *parks are largely chien*-free (unlike the restaurants). So bad *is* the problem that a fleet of motorcycle pooper-scooters scour the boulevards, freeze-drying *the crotte* and vacuuming it up.

France does, however, have a registration scheme, as does much of the rest of Europe. And in the US, some form of registration is compulsory in most cities (together with legislation requiring the use of pooper-scoopers). The British Government has set its face against registration, although it came within three votes of defeat on the issue in the *House of Lords last* year after an earlier spate of attacks. Keeping a *gibbon or* an aardvark requires a council permit under the Dangerous Wild *Animals Act* (1976), but anyone can buy a dog – in spite of the mounting toll to life, limb and public hygiene.

The need for a registration *scheme* will become even more obvious once the government tries to *implement* its cull of fighting dogs. More legislation will surely *follow*, including compulsory immunisation, third party insurance and legal responsibilities on owners for their dogs' behaviour. The opening of the Channel tunnel will add a further incentive, as rabies continues its slow progress across Europe.

And that is why, with a fair amount of confidence, I predict the *gradual* decline of dog-owning to a hard core of those for whom dogs are essential (principally the blind), breeders and enthusiasts. The day of the over-the-counter dog, bought on impulse as a gift or a lifestyle accessory, is past. Fido is about to join Capstan Full Strength and CFC aerosols in the dustbin of history.

TELEVISION

SATURDAY

BBC1

6.40 Open University. 7.30 Pinocchio. 7.50 Kissyfur. 8.15 The 8.15 from Manchester.

8.15 The 8.15 from Manchester.
10.37 Weather.
10.40 Grandstand. Introduced by Steve Rider. Including 10.45 Cricket: England v West Indies in the Texaco One-Day International at Old Trafford. 1.05 Football: Highlights of Argentina v USSR. 1.25 Racing from Haydock Park: The People-Sporting Life Championship Three Year Old Handicap Stakes. 1.40 Cricket: Further coverage. 1.55 Racing from Haydock Park: The Hazelwood Food Sandy Lane Stakes. 2.10 Cricket: Further coverage. 2.25 Racing from Haydock Park. The Tote Credit Silver Bowl Handicap. 2.40 Cricket. 3.30 Golf: The Volvo PGA Championships. The second round from Wentworth. 3.45 Racing from Haydock Park: The Irish 1,000 Guineas. 4.00 Golf: Further coverage.
5.05 News and Weather.
5.15 Regional News.
5.20 The Flying Doctors.
6.05 That's Showbusiness.
6.35 You Gotta Be Jokin'.
7.05 Columbo.
8.20 One Foot in the Grave. Comedy starring Richard Wilson and Annette Crosbie. The Big Sleep. Margaret has borrowed a book from the library called Coping with Old Age to help Victor come to terms with his enforced retirement. Or maybe the keep-fit for the elderly class at the adult education centre will be more helpful.
8.50 News and Sport ; Weather.
9.10 Casualty.
10.00 Paramount City. New series. Late-night comedy show, hosted by Curtis and Ishmael with Tommy Cockles, Ellen Kleghorn, John Mendoza and Frank Skinner.
10.40 International Match of the Day. England v Argentina. Desmond Lynam introduces highlights of the first match between England and Argentina since the 1986 World Cup, and Maradona's famous Hand of God incident. Commentary is by John Motson who is joined by Trevor Brooking.
11.30 Film: The Comedy of Terrors (TVM 1964).
12.50 Weather.
12.55 Close.

BBC2

6.50 Open University. 6.50 Maths: Calculus. 7.15 Art in 15th Century Italy: Florence. 7.40 Geology of the Alps. 8.05 Computing: On the Right Track. 8.30 Design: Learning From Experience. 8.55 IT: What's in Store. 9.20 Education: Baby Talk. 10.10 Images: Holography at Work. 10.35 State and Society: The Right to Know. 11.00 Open Forum Magazine: News and Views on the OU. 11.25 Arts: Warfare and Welfare. 11.50 Education: Learning Maths Together. 12.15 Hamlet Workshop. 12.40 Santo Spirito: Church. 1.05 Education for Adults: Limerick Lessons. 1.30 Modern Art: Futurism. 1.55 Scenes from Dr Faustus. 2.20 Ecology: Ancient Woodland.

2.45 Mahabharat. (English subtitles).
3.25 Film: Son of Sinbad (1955). Fantasy adventure starring Vincent Price, Dale Robertson, Sally Forest and Lili St Cyr.
4.55 International Cricket Live coverage of England v West Indies from Old Trafford on the second of the three one-day internationals for the Texaco Trophy. With commentary by Richie Benaud and Jack Bannister.
7.30 News and Sport ; Weather.
7.45 Our War. Earlier this year the world watched Iraqi Scud missiles fall on Israel. What they were not told was the precise location, Ramat-Gan, an ordinary suburb of Tel Aviv, was one of the most affected areas, and Israeli film-maker Dan Setton encourages its people to relive their war experiences.
8.20 Dancemakers. This dance work, Four Elements, was specially created for the Rambert Dance Company by choreographer Lucinda Childs. It is her first work for a British dance company and was premiered in November last year.
9.10 The Comic Strip Presents - Spaghetti Hoops.
9.45 The Wolvis Family.
10.15 Video Diaries. Au Revoir Stepney. While on a visit to France, artist Vicky Hawkins and marble mason Tony Chircop discovered the farmhouse of their dreams. They decided to sell their studio in London and start a new life in France. Their diary records the joys and traumas they experienced as their dream slowly turned into a nightmare.
11.25 Twin Peaks.
12.10 International Cricket. Tony Lewis introduces highlights of the England v West Indies match.
1.05 Close.

ITV

6.00 TV-am 9.25 Ghost Train. 11.30 The ITV Chart Show. 12.30 pm World Sport Special.

1.00 ITN News ; Weather.
1.05 LWT News ; Weather.
1.10 The Day.
1.15 Cartoon Time.
1.20 Rock School 91. Mike Reid and Anthea Turner present some of the best of Britain's teenage musical talent performed to original music in this year's Panasonic Audio Rock School competition final. Three schools from the region are among the contenders.
2.20 Film: Anne of a Thousand Days (1969). Film version of the play about Anne Boleyn, her courtship by Henry VIII, marriage and subsequent execution. Starring Richard Burton and Genevieve Bujold.
5.00 ITN News ; Weather.
5.10 LWT News ; Weather.
5.15 MacGyver.
6.10 Wayne Dobson: A Kind of Magic.
6.40 Bob's Your Uncle.
7.25 Agatha Christie's Poirot. Murder in the Mews. Captain Hastings points out to Poirot that the noise of fireworks on Guy Fawkes night could provide the ideal opportunity for a murder. Little does he know that his Mews garage will become the setting for a murder enquiry more complex than the Gun Powder Plot.
8.25 Duty Free. TV star, Frazer Hines, comes to stay at the hotel, causing a great deal of excitement among the ladies. Unfortunately one of them over-reacts and her husband becomes suspicious. Starring Keith Barron and Gwen Taylor.
8.55 ITN News and Sport ; Weather.
9.10 LWT Weather.
9.15 Film: BL Stryker: Blues for Buder (1988). Starring Burt Reynolds, Rita Moreno and Ossie Davis.
11.05 Metro. Arts and entertainment programme presented by Ian Dury and Arabella Weir.
11.40 Film: Malibu Beach (1978).
1.25 Up the Junction.
2.05 Night Heat.
3.00 American College Football.
4.00 The Hit Man and Her .

CHANNEL 4

5.20 4-Tel On View. 9.25 Sing and Swing. 9.30 Listening Eye. 10.00 Images. 10.30 Wagon Train. 11.30 World League of American Football. 12.30 pm The Munsters.

1.00 Film: My Cousin Rachel (1952). Adaptation of Daphne Du Maurier's novel with Richard Burton and Olivia De Havilland.
2.50 The Harpoonist. Dramatic story of a harpoonist's encounter with a whale portrayed in this animation from Estonia.
3.00 Channel 4 Racing from Kempton Park and The Curragh including the 3.10 Crawley Warren H'cap Stakes. 3.40 Crawley Warren Heron Stakes. 3.50 Goffs Irish 1,000 Guineas. 4.10 Underwriting H'cap Stakes, and 4.40 Broking H'cap Stakes. Introduced by John Oaksey with commentary by Graham Goode.
5.05 Brookside ; News Summary and Weather.
6.30 Right to Reply .
7.00 Sound Stuff. Beyond the Maypole. Zimbabwean star Biggie Tempo begins a rare African voyage of discovery around the English music scene. En route he encounters and plays with various artists including Billy Bragg, The Barely Works and The South Downs Morris.
8.00 Adventures: The Last Navigator. Satawal, part of the Caroline Islands, is one of the most remote islands on Earth. Its small population has survived by bringing food to the island in sea-going sailing canoes, and this film is about one of its dying breed of navigators, Mau Piailug, and his relationship with an American sailor, Stephen Thomas.
9.00 thirtysomething.
10.00 Film: The World of Apu (1959). Domestic drama continuing the season of Satayajit Ray films. The final film of the Apu triolgy shows Apu, played by Soumitra Chatterjee, entering into marriage. Also stars Sharmila Tagore and Swapan Mukheri.
11.45 On the Other Hand. Twenty-two year old Glaswegian, Nasreen Akmal, was forcibly married in Pakistan aged 14. She is now fighting in the Scottish courts to have the marriage annulled. What are the implications for arranged marriages in Britain if she wins?
12.55 Australian Rules Football.
1.55 Close.

REGIONS

IBA REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
12.30 Motorsport Specials. 1.05 Anglia News. 1.10 Windsurf. 1.40 Brand New Life. 2.40 The Caine Mutiny. 5.10 Anglia News and Sport 5.15 The A-Team. 11.05 On Golden Pond.
BORDER:
12.30 The Munsters Today. 1.05 Border News. 1.10 Speedway - British Final. 2.10 The Silk Road. 3.05 Hannibal Brooks. 5.10 Border News 5.15 The A-Team. 11.05 Dadah is Death.
CENTRAL:
12.30 Candid Camera. 1.05 Central News 1.10 World Sport Special. 1.40 Cartoon Time. 1.45 The Black Rose. 4.00 Speedway - British Final. 5.10 Central News 5.15 The A-Team. 11.05 CinemAttractions. 11.30 Desperado.
CHANNEL:
12.30 Candid Camera. 1.05 Diary Dates. 1.10 Windsurf! 1.40 Soccer in the 70s. 2.10 The Life and Times of Grizzly Adams. 3.05 McCloud. 4.30 The Spectacular World of Guinness Records. 5.10 Channel News. 5.15 The A-Team.
GRAMPIAN:
12.30 This is America, Charlie Brown. 1.05 Grampian Headlines 1.10 Seaili, followed by Le Durachd. 1.40 Crann Tara. 2.10 Coronation Street. 3.05 Doctor in Distress. 5.05 Criomagan. 5.10 Grampian Headlines. 5.15 The A-Team.
GRANADA:
12.30 Express! 1.05 Granada News. 1.10 Hard Time on Planet Earth. 2.05 The Little Mermaid. 3.35 McCloud.. 5.10 Granada News. 5.15 The A-Team. 11.05 Dadah is Death.
HTV:
12.30 The Spectacular World of Guinness Records. 1.05 HTV News. 1.10 World Sport Special. 1.40 Booby Trap. 3.00 World Cup Yacht Racing. 4.00 German Touring Car Championships. 5.10 HTV News. 5.15 The A-Team. 11.05 Witness to Survival. 11.35 Out of Limits.
SCOTTISH:
12.30 The Spectacular World of Guinness Records. 1.05 Scotland Today. 1.10 Seaili 1.40 Wonderful World of Disney. 2.35 The Munsters. 3.05 Disney's Escape from the Dark. 5.10 Scotland Today 5.15 The A-Team. 11.05 Sins.
TSW:
12.30 The South West Week. 1.05 TSW News and Weather. 1.10 Windsurf! 1.40 Speedway - British Final. 2.40 Wheel of Fate. 4.00 Horse Trials. 5.05 TSW News. 11.05 Dadah is Death.
TVS:
12.30 Candid Camera. 1.05 TVS News. 1.10 Windsurf! 1.40 Soccer in the 70s. 2.10 The Life and Times of Grizzly Adams. 3.05 McCloud. 4.30 The Spectacular World of Guinness Records. 5.10 TVS News. 5.15 The A-Team. 11.05 Slapshot.
TYNE TEES:
12.30 World Sport Special. 1.05 Regional News. 1.10 Matlock. 3.00 The Mountain. 5.05 Northern Life. 5.15 The A-Team. 11.05 Dadah is Death.
ULSTER:
1.05 Ulster Newstime 1.10 Wrestling. 2.10 The A-Team. 3.10 Munsters Today. 3.45 Highway to Heaven. 4.45 Cartoon. 5.10 Ulster Newstime 5.15 Magnum. 11.05 Dadah is Death.
YORKSHIRE:
12.30 Katts and Dog. 1.05 Calendar News.1.10 McCloud. 2.35 The Spectacular World of Guinness Records. 3.05 Warlords of Atlantis. 4.50 Cartoon. 5.10 Calendar News. 5.15 The A-Team. 11.05 Coogan's Bluff.

SUNDAY

BBC1

6.45 Open University. 8.50 Interval. 8.55 Playdays. 9.15 Movable Feasts. 9.30 This is the Day.

10.00 When in France. Provence.
10.25 Discovering Portuguese.
10.50 Step Up to Wordpower.
11.15 Advice Shop.
11.40 Bazaar.
12.05 See Hear!
12.30 Country File.
12.55 Weather for Farmers.
1.00 News; On the Record.
2.00 EastEnders.
3.00 Dallas.
3.45 Film: The New Maverick (1978).
5.15 Disney Time.
5.55 Masterchef. Valentina Harris, connoisseur of Italian cookery, and politician Ken Livingstone join Loyd Grossman in the search for Britain's best amateur chef. Three contestants from the North serve the delicacies.
6.25 News and Weather.
6.40 Songs of Praise. Pam Rhodes joins the local Christians of Merthyr Tydfil, a town with a curious industrial and social history, for their service at St Mary's Roman Catholic Church.
7.15 Butterflies.
7.45 All Creatures Great and Small.
8.35 Tonight at 8.30. Still Life. Joan Collins, John Alderton and Jane Asher star in Noel Coward's love story of three contrasting couples.
9.05 News; Weather.
9.20 That's Life!
10.00 Mastermind.
10.35 Everyman. The Shi'a uprising against Saddam Hussein in the aftermath of the Gulf War has fallen foul of America, and Middle East countries alike. This programme investigates whether the conflicting loyalties within Islam in Iran, Jordan and Palestine may yet bolster Saddam Hussein against the imminent ruin both he and his country now face.
11.25 Walk the Talk. Vivien Sirotkin, general manager of the Gleneagles Hotel in Perthshire, faces one of her greatest challenges. The five-star hotel is playing host to a conference of top hoteliers and Pride and Privilege goes behind the scenes to discover how Vivien communicates with her hundreds of staff to ensure that Gleneagles lives up to its reputation.
11.50 The Sky at Night.

BBC2

6.35 Open University. 12.00 Around Westminster. 12.30 pm Scrutiny. 1.00 Open University.

1.25 Sunday Grandstand introduced by Bob Wilson. 1.30 Water Skiing: The Carlsberg European Championships from Kirtons Farm, Reading. Featuring World and European Slalom Champions Andy Mapple and John Battleday. 2.20 Hockey: Havant v Hounslow in the Poundstretcher National Cup Final from Milton Keynes. 3.40 Water Skiing: from Kirtons Farm, Reading. 4.00 Golf: The third round of the Volvo PGA Championship from Wentworth. 5.45 Water Skiing: from Kirtons Farm, Reading. With commentary by Steve Rider, Gerald Sinsadt and Barry Davies.
6.00 The Chelsea Flower Show. Alan Titchmarsh, Anne Gregg and Stefan Buczacki reflect on last week's delights at the Royal Horticultural Society's Great Spring Show.
6.35 The Money Programme. Financial news and advice.
7.15 Great Journeys. Travel writer Colin Thubron journeys along the ancient Chinese mercantile route known as the Silk Road. Along the way he discovers the history and origins of this most famous trade route as his journey takes him through a 14th century fortress at Jiayuguan, the Taklamakan Desert and the town of Kashgar.
8.15 Relative Values. Keeping Up with the Medici. Featuring exclusive interviews with Baron Thyssen, Dennis Hopper, Paul Mellon and Vincent Price who are among some of the world's most important and wealthiest art collectors. They talk frankly about what motivates them to spend millions of pounds on paintings – is it love, or money, or the rich man's bid for immortality?
9.05 Tinker, Tailor, Soldier, Spy. Starring Alec Guinness and Patrick Stewart.
9.50 Film: Vamp (TVM 1986). Comedy horror premiere starring Grace Jones, Chris Makepeace and Sandy Baron.
11.25 Golf from Wentworth – Volvo PGA Championships.
12.05 Def II; Dance Energy.
1.00 Close.

ITV

6.00 TV-am 9.25 Disney's Hero in the Family - Part One. 10.20 The Littlest Hobo. 10.45 Link. 11.00 Morning Worship. 12.00 Visions. 12.30 pm LWT News Weekend.

1.00 ITN News ; Weather.
1.10 Walden. Last in series.
2.00 International Rugby Union. Canada v Scotland.
2.55 Film: Carry On Constable (1959). Starring Sid James, Charles Hawtrey, Hattie Jacques and Irene Handl.
4.30 Tribute to Jim Henson: The Muppets at Disney World. When Kermit invites the Muppet gang to Florida for a family reunion, they decide to visit Disneyworld.
5.30 The Queen in the USA. A look at the Queen's 10-day tour of the USA .
6.00 Bullseye with Jim Bowen.
6.30 ITN News; Weather.
6.35 LWT News; Weather.
6.40 A Day Out with Dana. The Irish singing star sets sail aboard the Sir Winston Churchill, joined by Duke of Edinburgh Award Scheme youngsters and singer Moira Kerr.
7.15 The Help Squad. Michael Parkinson is joined by a panel of people who promise to help solve viewers' problems.
7.50 The Catherine Cookson Trilogy. New series. The Black Candle. Samantha Bond plays the determined Bridget Mordaunt, who inherits her father's mill and turns it into a successful business. But her comfortable life begins to fall apart when her works manager is accused of murder. Also starring Nathaniel Parker, Denholm Elliott and Sian Phillips.
9.50 ITN News and Weather.
10.10 Tales of the Unexpected.
10.40 Singles.
11.10 The Shape of the World. Pictures of the Invisible shows how maps of the hidden and inaccessible were first made possible with the advent of aerial photography. This programme shows how, by using radar, map-makers could chart the ocean floor just as accurately as if they were seeing it below them; The Day.
12.15 The ITV Chart Show.
1.10 New Music.
2.10 Derrick.
3.20 Pick of the Week.
3.50 Portrait of America.

CHANNEL4

6.00 Early Morning. 9.25 Malgudi Days.(English subtitles). 10.00 A Week in Politics - Second Reading 10.45 Dennis. 11.00 Beat That. 11.30 The Lone Ranger. 12.00 The Waltons.

1.00 Voyage to the Bottom of the Sea.
2.00 Film: Beau James (1957) starring Bob Hope and Vera Miles.
3.55 Without Walls. Sleeping Beauty Rediscovered. A pile of rusting film cans in a derelict barn was recently found to contain a buried treasure - a film of Tchaikovsky's ballet shot for the cinema in the Sixties. Dance critic Judith Mackrell, with the help of ballerina Fiona Chadwick introduces the lost masterpiece.
4.25 Pursuit of Power. Interview with former Conservative Cabinet minister John Biffen MP.
4.55 News Summary and Weather.
5.00 Just Some Stories for Eleanor. In 1987 Stephen Pegg was a fit and healthy teacher and football referee, then he developed Motor Neurone Disease a progressive wasting of the nervous system. By 1989 he couldn't speak, move, feed or wash himself. Stephen started writing for his daughter Eleanor, words she would never hear from his lips, but what started as stories became a purpose for life and a buttress against his advancing disease.
6.00 Kabaddi. Tournament favourites West Bengal play Tamil Nadu, the best team from the south, in the Women's semi-final.
6.30 The Wonder Years.
7.00 Fragile Earth. The Camargue in southern France is one of the most important sites for wildlife in the Mediterranean and the bulls have shaped the traditions of the region – every town has its own arena where the bulls are let loose and the men are left to run for their lives. The raising of livestock has helped to create an environment for wildlife, but now, as this programme reports, the landscape is under threat.
8.00 Hard News.
8.30 Stocker's Copper. Tom Clarke's reconstruction of a real incident in the 1913 Cornish tin miner's strike, which was broken by policemen from Glamorgan.
10.15 Film: The Dressmaker (1988). Starring Joan Plowright and Billie Whitelaw.
11.55 Inside Sellafield.
1.25 Close.

REGIONS

IBA REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
12.30 Farming Diary.
BORDER:
12.30 Gardening Time. 12.55 Border News and Weather. 2.55 The Spirit of St Louis. (1957) 6.00 Ring Up the Smiles. 6.35 Border News.
CENTRAL:
12.30 Gardening Time. 12.55 Central News 2.55 Out of Limits. 3.10 Kaleidoscope. 4.35 The Munsters Today. 5.05 Hard Time on Planet Earth. 6.00 The Queen in the USA. 6.35 News
CHANNEL:
12.30 Reflections. 12.35 Les Francais Chez-Vous. 12.50 Tele-Journal. 2.55 Horse Trials. 3.55 Disney's Charlie, the Lonesome Cougar. 6.00 Tell the Truth. 6.35 Channel News.
GRAMPIAN:
10.45 Interbang! 11.15 The Intruders. 11.45 Link. 12.30 Jack Thompson Down Under 2.55 The Silk Road. 4.00 Horse Trials. 5.00 The Queen in the USA. 5.30 Eikon. 6.00 Green Fingers.
GRANADA:
12.30 The River Thames. 2.00 Santa Barbara. 2.55 International Rugby Union. 3.50 Special Effects. 4.55 Cartoon Time. 5.05 The Queen in the USA. 5.35 Coronation Street. 6.35 Granada News. 10.40 The Shape of the World.
HTV:
12.30 Survival - The First 30 Years. 12.55 HTV News. 2.00 Farming Wales. 2.30 Wales on Sunday. 3.00 International Rugby Union. 3.55 The Odd Job. 6.00 The River Thames.
HTV Wales as HTV except:
12.30 Survival - The First 30 Years. 2.00 Farming Wales. 2.30 Wales on Sunday.
SCOTTISH:
10.45 Glen Michael's Cartoon Cavalcade. 11.15 Link. 11.30 Revelations. 12.30 Eikon.
TSW:
12.30 TSW Farming Week. 2.55 Fisheries News. 3.10 Coronation Street. 4.05 Hard Time on Planet Earth. 5.00 The Queen in the USA. 5.30 The TSW Documentary. 6.00 Coach.
TVS:
12.30 TVS News. 12.33 Agenda. 12.58 TVS Weather. 2.55 Horse Trials. 3.55 Disney's Charlie, the Lonesome Cougar. 6.00 Tell the Truth.
TYNE TEES:
10.45 Link. 11.00 Morning Worship. 12.25 The Pintubi. 3.00 Who's The Boss. 3.30 Bullseye. 4.00 Telethon Lookback. 4.30 The Queen in the USA. 5.00 Northern Life Review. 5.35 Coronation Street. 6.35 Regional News.
ULSTER:
12.30 Gardening Time. 2.55 Rallying: Phoenix Park. 3.25 Guinness Book of Records. 3.55 Murder She Wrote. 4.50 Cartoon Time. 5.05 The Queen in the USA. 5.35 Coronation Street.
YORKSHIRE:
12.25 Heidi. 12.50 Calendar News.2.55 The Undefeated. 5.05 Brand New Life. 6.00 The Queen in the USA. 6.35 Calendar News.
S4C Wales as Channel 4 except:-
9.25 The Adventures of Tin Tin. 9.30 Beat That. 10.45 Voyage to the Bottom of the Sea. 11.45 The People's Game. 12.55 Now You're Talking. 1.20 O Bedwar Ban. 1.30 Bwrw Mlaen. 2.00 Fragile Earth. 3.00 Adventures. 4.00 Frieda. 5.45 The Crystal Maze. 6.45 San Steffan. 7.05 Newyddion. 7.10 Holi Hwn a Holi Llall. 8.00 Hel Straeon. 8.30 Dechrau Canu, Dechrau Canmol. 9.00 Ffiniau. 9.20 Griced. 10.00 True Stories. 11.10 Re-Play: Mug. 11.25 Hard News.

RADIO

SATURDAY

BBC RADIO 2
6.00 Graham Knight. 8.05 Ronnie Hilton. 9.00 Brian Matthew. 10.00 Anne Robinson. 12.00 Gerald Harper. 1.30 Someone and the Grumbleweeds. 2.00 Encore. 3.00 A Walk Through Wales. 3.45 Los Paraguayos. 4.00 The John Dunn Interviews. 4.30 Music While You Work. 5.00 Cinema 2. 5.30 The Law Game. 6.00 Things are Swinging. 7.00 Pop Score. 7.30 Fascinatin' Gershwin. 9.30 Easy Does It. 10.00 Angela Rippon. 12.05 It's a Funny Business. 12.30 Night Ride. 3.00 A Little Night Music. 4.00 David Allan.

BBC RADIO 3
6.55 Weather and News Headlines.
7.00 Morning Concert.
8.30 News.
8.35 Ulster Orchestra.
9.30 Saturday Review.
10.40 (MW) International Cricket.
12.55 (LW) Words.
1.00 (LW) News.
1.05 (LW) Schumann Song Cycles.
2.05 (LW) BBC Scottish Symphony Orchestra.
3.45 (LW) Shostakovich.
4.00 (LW) Tuning Up.
5.00 (LW) Jazz Record Requests.
5.45 (LW) Third Opinion.
6.30 (LW) Brahms.
7.15 (LW) Fidelio
10.00 Issues.
10.25 Two Duos.
11.00 Radio Goes to Town.
12.00 News.
12.05 Close.

BBC RADIO 4
6.00 News.
6.10 Farming Week.
6.50 Prayer for the Day.
7.00 Today.
9.00 News.
9.05 Sport on 4.
9.30 Breakaway.
10.00 Loose Ends.
11.00 The Week in Westminster.
11.30 From Our Own Correspondent.
12.00 Money Box.
12.25 The Marx Brothers' Flywheel, Shyster and Flywheel.
12.55 Weather.
1.00 News.
1.10 Any Questions?
2.00 Any Answers?
2.30 Saturday Playhouse: An Unsuitable Job for a Woman.
4.30 Science Now.
5.00 Writers Revealed.
5.25 Week Ending.
5.55 Weather.
6.00 News: Sports Round-up.
6.25 Citizens.
7.10 Stop the Week.
7.45 Classic Serial: Goodbye Mr Chips.
8.45 Kaleidoscope.
9.15 Music in Mind.
9.50 Ten to Ten.
9.59 Weather.
10.00 News.
10.15 The New Arcadia.
10.45 For He is An Englishman.
11.00 Richard Baker Compares Notes.
11.30 The Miles and Millner Show.
12.00 News and Weather; Interlude.
12.44 Close.

BBC RADIO5
6.00 World News and 24 Hours.
6.30 Morning Edition.
9.00 On Your Marks.
12.00 News and Sport; Sport on 4 Plus 1.
12.30 Sportscall.
1.30 Sport On 5.
7.45 As Radio 4.
10.00 Sport.
10.15 As Radio 4.
11.00 Sport.
11.15 Fanshawe on Five.
12.00 News and Sport.
12.15 Close.

WORLD SERVICE
BBC for Europe can be received in Western Europe on Medium Wave 648 kHZ (463m) at the following times BST:
6.00 Newsdesk. 6.30 Meridian. 7.00 World News. 7.09 Twenty Four Hours. 7.30 From the Weeklies. 7.45 The Havana International Guitar Festival.
8.00 World News. 8.09 Words of Faith. 8.15 A Jolly Good Show. 9.00 World News. 9.05 Waveguide: 9.15 The World Today. 9.30 Personal View. 9.45 Sports Roundup. 10.00 News Summary; Here's Humph. 10.15 Letter from America. 10.30 People and Politics. 11.00 World News. 11.09 News About Britain. 11.15 Worldbrief. 11.30 Meridian. 12.00 Newsreel.

12.15 Multitrack 3. 12.45 Sports Round-up. 1.00 Newshour. 2.00 News Summary; Sportsworld. 3.00 Newsreel. 3.15 Sportsworld contd. 4.00 World News. 4.09 News About Britain. 4.15 Sportsworld contd. 5.00 News Summary: Personal View. 5.15 John Peel. 5.45 Sports Round-up. 6.00 Newsdesk.

6.30 From Our Own Correspondent. 6.50 Write On. 7.00 News Summary; Drama: The Thin Blue Line. 7.45 From the Weeklies. 8.00 World News. 8.09 Personal View. 8.25 Words of Faith. 8.30 Meridian. 9.00 Newshour. 10.00 World News. 10.05 Short Story. 10.20 Jazz for the Asking.

10.50 Sports Roundup. 11.00 World News. 11.05 Words of Faith. 11.10 Book Choice. 11.15 A Jolly Good Show. 12.00 Newsdesk. 12.30 The Ken Bruce Show. 1.00 News Summary; Dealing With Clair. 2.00 Newsdesk. 2.30 Moving The Masses. 3.00 World News.

3.09 News About Britain. 3.15 Recording of the Week. 3.30 From Our Own Correspondent. 3.50 Write On. 4.00 Newsdesk. 4.30 Pop Into The Movies. 4.45 The Learning World.

SUNDAY

BBC RADIO 2
6.00 Graham Knight. 7.30 Good Morning Sunday. 9.05 Melodies for You. 11.00 Dennis Lotis with Radio 2 All-Time Greats. 1.00 The Emperor of Lancashire. 2.00 Benny Green. 3.00 Alan Dell with Sounds Easy. 4.00 Max with Love. 4.30 Sing Something Simple. 5.00 Charlie Chester. 7.00 Radio 2 Young Musician of the Year. 7.30 Stuart Burrows Sings. 8.30 Sunday Half-Hour. 9.00 Alan Keith. 10.00 Angela Rippon. 12.05 They're Singing Our Song. 1.00 Geoff Oxley with Night Ride. 3.00 A Little Night Music. 4.00 The Early Morning Show

BBC RADIO 3
6.55 Weather;News Headlines.
7.00 Morning Concert.
8.30 News.
8.35 Ayres for the Theatre.
9.15 Dennis Brain.
10.15 Music Weekly.
11.00 Boston Symphony Orchestra.
12.20 Clement Janequin Ensemble.
12.45 Table Talk.
1.00 News.
1.05 Your Concert Choice.
2.30 Chamber Music from Birmingham.
3.55 Poet of the Month.
4.05 Bournemouth Sinfonietta.
5.00 Soundings.
6.00 Evensong for Trinity Sunday.
7.00 Schumann.
7.30 The Sunday Play: Quartermaine's Terms.
9.00 Mozart Festival.
10.45 Morton Feldman.
11.40 Debussy.
12.00 News.
12.05 Close.

BBC RADIO 4
6.00 News and Weather.
6.10 Prelude.
6.30 Morning Has Broken.
6.55 Weather.
7.00 News.
7.10 Sunday Papers.
7.15 On Your Farm.
7.40 Sunday.
8.50 The Week's Good Cause.
8.55 Weather.
9.00 News.
9.10 Sunday Papers.
9.15 Letter from America.
9.30 Morning Service.
10.15 The Archers.
11.15 News Stand.
11.30 Pick of the Week.
12.15 Desert Island Discs.
12.55 Weather.
1.00 The World This Weekend.
2.00 Gardeners' Question Time.
2.30 Sunday Playhouse: Blithe Spirit; News.
4.00 Analysis.
4.47 Rich Pickings.
5.00 Down Your Way.
5.40 Unfair Sex.
5.50 Shipping Forecast.
6.00 News; Sports Round-up.
6.15 The Village.
6.30 Far Flung Faith.
7.00 The Root of the Matter.
7.30 Bookshelf.
8.00 The Scarman Report.
9.00 News;Treasure Islands.
9.15 The Natural History Programme.
9.59 Weather.
10.00 News.
10.15 The River Young.
11.00 In Committee.
11.30 Seeds of Faith 'Nearer to God in the Garden'.
12.00 News and Weather; Interlude.
12.44 Close.

BBC RADIO5
6.00 World News and 24 Hours.
6.30 Meridian Reports.
7.00 Newsdesk.
7.30 Sunday Edition.
8.00 This Family Business.
10.30 Education Matters.
11.00 News and Sport.
11.02 Festivals of Britain.
11.30 When in France.
12.00 News and Sport.
12.03 Open University.
2.00 Sunday Sport.
7.20 Open University.
9.00 Soundprint.
9.30 Dragnet.
10.00 News and Sport.
10.10 Across the Line.
12.00 News and Sport.
12.07 Close.

WORLD SERVICE
BBC for Europe can be received in Western Europe on Medium Wave 648 kHZ (463m) at the following times BST:
6.00 Newsdesk. 6.30 Jazz for the Asking. 7.00 World News. 7.09 Twenty Four Hours. 7.30 From Our Own Correspondent. 7.50 Write On. 8.00 World News. 8.09 Words of Faith. 8.15 Music for a While. 9.00 World News. 9.05 World Business Review. 9.15 The Learning World. 9.30 Pop Into the Movies. 9.45 Sports Roundup. 10.00 News Summary; Science in Action. 10.30 In Praise of God. 11.00 World News. 11.09 News About Britain. 11.15 Short Story. 11.30 The Ken Bruce Show. 12.00 News Summary; Play of the Week: Heart Of a Dog. 1.00 Newshour. 2.00 News Summary: The Anatomy Of Genius. 2.30 Anything Goes. 3.00 Newsreel. 3.15 Concert Hall. 4.00 World News. 4.09 News About Britain. 4.15 The New Wind of Change in Africa. 4.45 Letter from America. 5.00 World News. 5.05 World Business Review. 5.15 In Praise of God. 5.45 Sports Roundup. 6.00 Newsdesk. 6.30 A Man For All Seasons. 7.00 News Summary; Play of the Week: Heart of a Dog. 8.00 World News. 8.09 Jazz Now and Then. 8.25 Words of Faith. 8.30 Brain of Britain. 9.00 Newshour. 10.00 World News. 10.05 Music For A While. 10.50 Sports Roundup. 11.00 World News. 11.05 World Business Review. 11.15 Letter from America. 11.30 The Anatomy of Genius. 12.00 Newsdesk. 12.30 In Praise of God. 1.00 News Summary; Talking Heads. 1.45 The Havana International Guitar Festival.

CHESS

THE CITY of London international which concluded last weekend was the capital's strongest tournament since 1986 and produced combative chess with few draws. It was jointly sponsored by the Corporation of London and by lawyers Watson, Farley & Williams, with the early rounds at the Guildhall and the rest at WF&W's offices.

Byrne, the *New York Times* writer, lost his first five, then won five of his next six. Conquest and Wells, young UK masters, did the reverse. Both began with 5/7,well placed for grandmaster scores; then Wells lost his last five, Conquest his last six, and both finished at the bottom.

William Watson, 29, a silver medallist with England's 1988 Olympic team, tied for first prize with Alex Khalifman, world no 12 and top seed, in spite of this disaster in their individual game (A Khalifman, White; W Watson, Black; King's Indian Defence; City of London 1991).

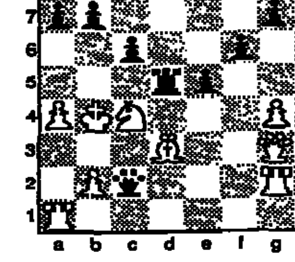
1 d4 Nf6 2 c4 g6 3 Nc3 Bg7 4 e4 d6 5 Be2 0-0 6 Nf3 e5 7 0-0 Nc6 8 d5 Ne7 9 Ne1 Nd7 10 Nd3 f5 11 Bd2 Rf7 12 f3 f4 13 Rc1 h5 14 c5 Nxc5? This pawn *proves poisoned. The attacks* are on opposite flanks, so Black should keep his Q-side solid while massing against the white king by g5 followed by Ng6 and g4.

15 Nxc5 dxc5 16 Bc4! Kf8 Black's K and R are vulnerable *on the same diagonal.*

17 Be1 b6 18 b4! cxb4 19 Nb5 c5 20 d6 Nc6 21 Qd5 Qd7 22 Bh4! Resigns. A dynamic, economical attack; Black has no defence to Be7+.

Chess No 874

BLACK 11 MEN



WHITE 10 MEN

P Wells v J Hector, City of London 1991. White is temporarily two pieces for three pawns up, with the black queen twice attacked. Black (to move) can reach a level endgame by 1 . . . Qxd3 2 Qxd3 Rxd3 3 g5, but found a much better plan. How did the game end?

Solution Page XX

Leonard Barden

BRIDGE

MY HAND today comes from rubber bridge of reasonable standard:

N
♠ 10
♥ Q 4
♦ K Q 10 5 2
♣ K Q J 10 7

W
♠ K J 7 5 3
♥ J 8 7 3
♦ 7
♣ 9 4 2

E
♠ 9 6 4 2
♥ A 6 5
♦ A J 9
♣ 6 5 3

S
♠ A Q 8
♥ K 10 9 2
♦ 8 6 4 3
♣ A 8

With neither side vulnerable, North dealt and began the bidding with one diamond, South replied with one heart, North then rebid two clubs, and *South's jump to three no* trumps concluded the auction.

West opened with the five of spades, and the declarer surveyed the position. Five club tricks and two spades were in the bag, and the diamonds might provide four more. Dummy's 10 of spades won the first trick, East dropping the six, and declarer crossed to his ace of clubs in order to lead a diamond. West produced the seven, and the queen lost to the ace. East led back the two of spades,the queen lost to the king, and West led another spade to dislodge the ace. South ran off dummy's four club winners, then cashed the king of diamonds, and West showed out. Dummy's four of hearts was played, East took at once,and a spade return put the contract one down.

The diamond break was unlucky, but it was not bad luck, but faulty technique that cost the declarer his contract. At trick two he should lead dummy's heart four – this is an avoidance play. If East holds the ace, as proved to be the case, he must duck; otherwise he gives declarer two tricks in the suit. When the *king wins, South leads a dia*mond to the queen and ace. He wins East's spade return with his ace, and fulfils his contact with two spades, one heart, one diamond, and five clubs.

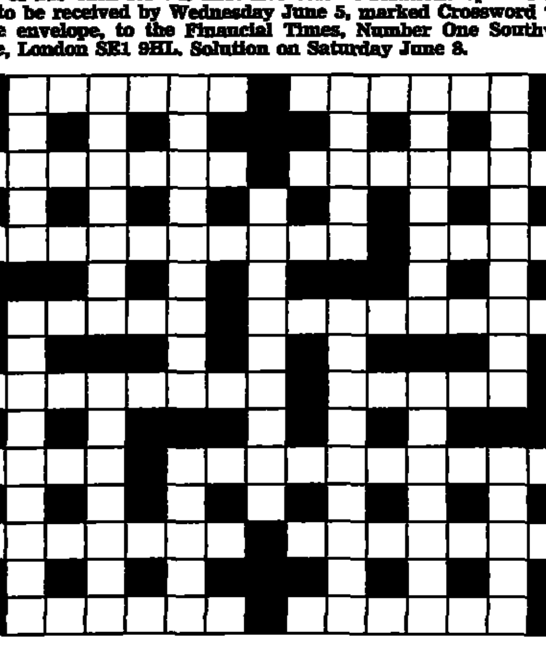
Should West take the heart king, he can-not return a spade with advantage, and South has time to establish the king of diamonds for his ninth trick.

E.P.C Cotter

CROSSWORD

No. 7,552 Set by FETTLER

Prizes of £15 each for the first five correct solutions opened. Solutions to be received by Wednesday June 5, marked Crossword 7,552 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday June 8.



Name...

Address...

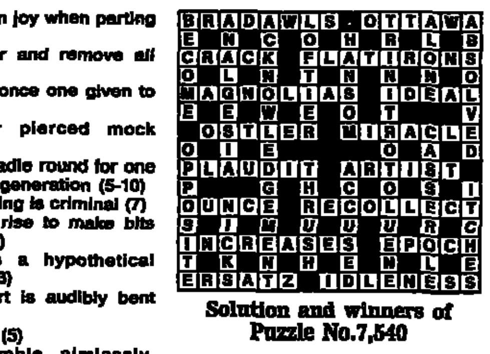
....

ALPHABETICAL JIGSAW

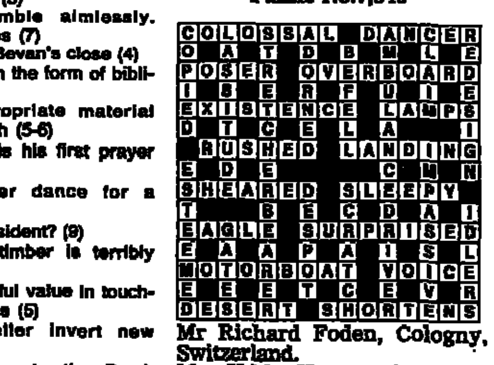
Answers should be placed where they will fit. The positions of four answers should be immediately obvious

A Try at test? (7)
B Lady Macbeth's nightie was dandy with fashioned top, set in bed (5-9)
C A cry of joy on joy when parting (7)
D Allow in river and remove all traces (6)
E Teacher was once one given to beating (5)
F Errant rider pierced mock drama (6)
G Drag night cradle round for one of the fourth generation (5-10)
H In-house dealing is criminal (7)
I Oddly, some rise to make bits like others (8)
J WC Hind is a hypothetical defendant (4,3)
K Boer transport is audibly bent (6)
L Jousts or tilts (5)
M Millions ramble aimlessly, touching limbs (7)
N Sounds as if Bevan's close (4)
O Seals found in the form of biblical ram (7)
P Plot to appropriate material forming pouch (5-6)
Q Quality plus is his first prayer (7)
R Have another dance for a change (5)
S American president? (9)
T Ship's stern timber is terribly frail aft (8)
U There's doubtful value in touching part of iris (5)
V See wine-seller invert new blend (7)
W "To what" wrote the Bard, "were unlit hearts attuned" (10)
X Three-master for British execs at sea (6)
Y Juvenile – such as fish fry (9)
Z Soar, returning from low to zenith (4)

Solution to Puzzle No.7,551



Solution and winners of Puzzle No.7,540



Mr Richard Foden, Cologny, Switzerland.
Ms Y.M. Hayes, Runcorn, Cheshire.
Mrs J. Richards, Hythe, Kent.
Mr A. Robinson, Jersey.
Mr M. Thompson, York.